NOTE

This Microfiche meets the quality requirements of the American National Standard for Microfiche of Documents (ANSI PH5.9-1975). However, because of imperfections in the document from which it was made, it contains images that are illegible or difficult to read. The source document for this microfiche is the best copy that could be obtained prior to filming.

Congressional Information Service, Inc.
4520 East-West Highway
Bethesda, Maryland 20814

HEROIN CONTROL STRATEGY

HEARING

BEFORE THE

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL HOUSE OF REPRESENTATIVES

ONE HUNDRED SECOND CONGRESS

FIRST SESSION

MAY 9, 1991

Printed for the use of the
Select Committee on Narcotics Abuse and Control

SCNAC-102-1-3

U.S. GOVERNMENT PRINTING OFFICE
44-140 WASHINGTON : 1991

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

H961-26.

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

(102d Congress)

CHARLES B. RANGEL, New York, *Chairman*

JACK BROOKS, Texas
FORTNEY H. (PETE) STARK, California
JAMES H. SCHEUER, New York
CARDISS COLLINS, Illinois
FRANK J. GUARINI, New Jersey
DANTE B. FASCELL, Florida
WILLIAM J. HUGHES, New Jersey
MEL LEVINE, California
SOLOMON P. ORTIZ, Texas
LAWRENCE J. SMITH, Florida
EDOLPHUS "ED" TOWNS, New York
JAMES A. TRAFICANT, JR., Ohio
KWEISI MFUME, Maryland
NITA M. LOWEY, New York
DONALD M. PAYNE, New Jersey
ROMANO L. MAZZOLI, Kentucky
RON DE LUGO, Virgin Islands
GEORGE J. HOCHBRUECKNER, New York
CRAIG A. WASHINGTON, Texas
ROBERT E. ANDREWS, New Jersey

LAWRENCE COUGHLIN, Pennsylvania
BENJAMIN A. GILMAN, New York
MICHAEL G. OXLEY, Ohio
F. JAMES SENSENBRENNER, JR., Wisconsin
ROBERT K. DORNAN, California
TOM LEWIS, Florida
JAMES M. INHOFE, Oklahoma
WALLY HERGER, California
CHRISTOPHER SHAYS, Connecticut
BILL PAXON, New York
WILLIAM F. CLINGER, JR., Pennsylvania
HOWARD COBLE, North Carolina
PAUL E. GILLMOR, Ohio
JIM RAMSTAD, Minnesota

COMMITTEE STAFF

EDWARD H. JURITH, *Staff Director*
WILLIAM S. SMITH, *Minority Staff Director*

CONTENTS

Members' Opening Statements

	Page
Charles B. Rangel, Chairman	1
Lawrence Coughlin	2

Testimony

Melvyn Levitsky, Assistant Secretary of State for International Narcotics Matters	3
Herbert Kleber, M.D, Deputy Director for Demand Reduction, National Drug Control Policy Office	13
John E. Hensley, Assistant Commissioner, Office of Enforcement, U.S. Customs Service	24
Ronald J. Caffrey, Acting Assistant Administrator, Operations Division, Drug Enforcement Administration, U.S. Department of Justice	29

Prepared Statements

Melvyn Levitsky	37
Herbert Kleber, M.D	51
John E. Hensley	57
Ronald J. Caffrey	74

HEROIN CONTROL STRATEGY

THURSDAY, MAY 9, 1991

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL,
FOREIGN AFFAIRS COMMITTEE,
Washington, DC.

The select committee met, pursuant to call, at 10:07 a.m., in room B-352, Rayburn House Office Building, Hon. Charles B. Rangel (chairman of the committee) presiding.

Members present: Representatives Rangel, Lowey, de Lugo, Hochbrueckner, Washington, Coughlin, Gilman, Sensenbrenner, Inhofe, Shays, Clinger, Gillmor, and Ramstad.

Staff present: James Alexander, Richard Baum, Jennifer Ann Brophy, George Gilbert, Rebecca Hedlund, Michael Kelley, Christina Stavros, Mary Frances Valentino, Melanie T. Young, David Goodfriend, Steve Skardon, Linda Bloss, Edward Jurith, and William S. Smith.

OPENING STATEMENT OF HON. CHARLES B. RANGEL, CHAIRMAN

Mr. RANGEL. Mr. Secretary, it's always good to have you in front of the committee and to properly state our appreciation for the professional job that you do for our country. I only regret that you could not be cloned in the areas of treatment, prevention and law enforcement, but we are very fortunate to have you.

We, in our small way, are trying to be of some assistance to the State Department. We've conducted a series of informal meetings with the representatives from the Andean countries, not only to check on the problems that they're facing in terms of narcotic abuse and control and trafficking, but also to get their insight as to trade and commerce and economic development, and especially the Andean trade initiative, which President Bush has courageously put forth as a challenge to the Congress.

As you know, the certification question, which your office is in the process of redrafting, is very important to the Congress. To some of us, it is not so much a stick for countries that are growing drugs, but also a constant reminder of the separation of powers that we have in our countries and a feeling by Americans, and sometimes Members of Congress that we don't see the action as it relates to our relationship with these foreign countries' condition to their programs or their efforts of cooperation and drug eradication.

I personally and politically am appalled at the fact that people cannot even think about mentioning drugs as the Congress is asked

to push swiftly toward a fast-track agreement with our dear friends in Mexico.

I say that as being one that was advocating that some positive language be used in view of the fact that, in my humble opinion, the Mexican Government in this administration is doing more than all of the previous administrations put together.

But, yet, I think it's just as important to let the American people know, as well as our international friends, that it is a priority, whether we're talking about free trade or the illicit traffic of drugs.

But these ideas are so repugnant to Ambassador Carla Hills that one might wonder where the administration is generally on the question of letting friends and foes alike know that this is a serious problem.

I will conclude by saying that I don't recall ever hearing anything from the Secretary of Education, the Secretary of Health and Human Services as relates to treatment, or the Attorney General as relates to local and State assistance, where law enforcement really is on the front line.

And I'll pause as relates to the State Department because you're here and I have every reason to believe that when Secretary Baker gets finished doing the important things, that he'll have a statement or two to make about this war.

Mr. Coughlin.

OPENING STATMENT OF HON. LAWRENCE COUGHLIN

Mr. COUGHLIN. Thank you, Mr. Chairman. I want to first commend you for calling these important hearings on the heroin question and I will be listening to those testifying with a keen interest because I know in New York, as well as in Philadelphia, that this is a significant problem.

There is good cause for concern. Good weather and the political conditions in Burma, in particular, have combined to make Southeast Asia the heroin factory of the world, and I think we need to examine that. And worldwide interdiction of heroin has become a difficult task because of the sheer mass of the territory and the variety of smuggling methods.

But it's not all bleak, at least. On the supply side, the Federal Government has responded. Our law enforcement agencies, particularly the Drug Enforcement Administration and the Customs Service, have been acting together with vigor to combat the increased production in the trafficking patterns. They certainly have their work cut out for them.

This committee is ready to assist in any way with the State Department and the Office of National Drug Control Policy to help piece together a heroin strategy, which is a difficult task since the attack on heroin requires three or four different strategies in each of the different heroin-producing areas of the world.

We'll be anxious to hear also about the news on the demand side. One consistent consensus of this committee has been that bountiful crops and plentiful supply are not as important as levels of demand.

We had a hearing on this issue last year. There seemed to be good news on the demand side. Fortunately for most Americans, heroin retains a dirty reputation.

On the demand side, we need to focus our efforts, but I believe that we are fortunate because we don't have the kind of epidemic in heroin, at least as I see it, that we have had in terms of crack. And that's what we want to prevent having happen.

I think the United States has to assume the leadership role in this, Mr. Chairman, but I believe that also, particularly in heroin, there is a worldwide role to play.

As compared to cocaine, where it was largely demand from this country that resulted in an increased supply and a cocaine and crack epidemic, heroin is more of a worldwide problem.

One of the things I would suggest today is that the committee jointly send a letter to the United Nations Secretary General de Cuellar, urging him to convene a U.N. conference on heroin because I think it is that kind of a problem that's much more international and more focused worldwide than, for example, the crack cocaine problem.

I hope that we can foster that kind of an effort. I would hope the committee would do that to try and encourage both our national and international sides that the problem is truly international.

Thank you, Mr. Chairman.

Mr. RANGEL. Thank you, Mr. Coughlin.

Mr. Shays.

Mr. SHAYS. No comment.

Mr. RANGEL. Mr. Inhofe.

Mr. INHOFE. No, sir.

Mr. RANGEL. Mr. Clinger.

Mr. CLINGER. No statement. Thank you.

Mr. RANGEL. You should know that we will be coming to you for your advice as relates to our proposed trip to Syria and Pakistan on this question. And your office has been extremely cooperative.

Your prepared statements, of course, will be entered into the record in their entirety. You may proceed in any manner, Mr. Secretary, that you feel comfortable. And welcome, once again, to our committee.

STATEMENT OF MELVYN LEVITSKY, ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL NARCOTICS MATTERS

Mr. LEVITSKY. Thank you very much, Mr. Chairman, members of the committee.

Let me, if I could, respond to a couple of things that were mentioned in your opening statements first before going into a brief version of my prepared statement.

You mentioned certification and your concern about that. Let me make it very clear that the administration's proposed rewrite of the Foreign Assistance Act, which is much broader than just the drug issue, but encompasses the whole range of assistance, has the focus of trying to simplify procedures, give flexibility, allow the President to respond to changing international circumstances.

There is absolutely no intention in the drug section of that bill, of that proposal to diminish the drug issue in our foreign policy, to diminish the pressure in other countries. All the tools are retained.

Over the years the Foreign Assistance Act has been amended a number of times, and a number of provisions have crept in that we believe are no longer necessary and hold back the kind of flexibility that we, and I think you, want for the administration to be able to respond to the drug issue. And that's the intent of the proposal we've put forward.

And let me say that we have always known that we would discuss this with the Congress, and particularly in the drug section, those that are particularly interested, members of this committee, the Foreign Affairs Committee.

And so this is not something that we have put down as a take-it-or-leave-it proposal. We want to work together with the Congress, and we know the reputation that you have and members of the committee have for interest and support for this issue.

Mr. RANGEL. Well, we want a——

Mr. LEVITSKY. Some have suggested that what we should do is allow this legislation that we have already, which is tough legislation, to just stay where it is and then blame it on the Congress; in other words, when we deal with foreign countries.

Quite frankly, I think that is bad public policy. We ought to be going to foreign countries saying "It's not the Congress that's putting the pressure on. It's the U.S. Government." And that means the executive branch, the Congress, the people of the United States.

So, obviously, we want to try to respond to a new circumstance. I think we have put the priority on this issue in our foreign policy and in our domestic policy. And, obviously, it's a partnership with the Congress all the way.

Mr. RANGEL. Well, we're anxious to remove any of the heavy baggage we've placed on our diplomatic corps and our State Department. However, what we hear from the Foreign Affairs Committee is a different procedure as it relates now when the President must certify to the U.S. Congress that the countries that are receiving assistance are, indeed, cooperating with our effort to eliminate the growing and processing and trafficking of drugs.

Now, if you're saying that that section of certification that allows the President to certify a country and bring it to the Congress and the Congress has x numbers of days to respond is not being changed, then we don't have a problem.

Mr. LEVITSKY. We had a full hearing on this before christening. I don't want to detract from your focus in this on heroin, but we'd be glad to discuss it and go through the various sections that we were talking about in this specific way. I think we can do that with the staff, with members of the committee, if you'd like.

Mr. RANGEL. Very good, Mr. Secretary.

Mr. LEVITSKY. Let me just also say something about the priority in foreign policy. I don't know whether you saw a section of Secretary Baker's speech the other day at Rice, when he was giving a commencement address at Rice in Texas, but I think it's important because we've tried to put this issue into not only the mainstream, but make it a priority in our foreign policy.

And Secretary Baker made very clear that when we talk about a new world order, we also have to talk about the challenges. In fact, he said if the new world order we talk about is to be more than a passing cliche and a pleasant dream, then we will have to work very long and very hard with our allies and friends and even with our traditional adversaries to meet a host of challenges. And then in listing the challenges, he said, new generations can be caught in a vicious cycle of drug use in a vacuum.

I consider that to be a mark of where the priority is. That is, in our approach to foreign policy as part of the new world order, it is obvious that this is going to be an issue that we will take up with a number of countries, as we have in the past. And something that we need to work on for the sake of U.S. national interests. So I just want to make that clear.

The other thing I wanted to mention, Mr. Coughlin, you had an interesting proposal about the U.N. conference. I want to point out a couple of things. We have had some conferences already, not ones specifically of the kind you mention. That could be a very helpful thing under U.N. auspices.

The Japanese sponsored a conference in Asia of ESCAP, which we attended, specifically on heroin. There was the London conference which Dr. Kleber and I attended that had a very strong focus on heroin. There is going to be a Montreal conference this September, the world therapeutic communities, that will focus on this as well. So there is a lot of international activity.

Now, the proposal you have is quite interesting. And, in fact, I've just come back from a U.N. meeting which has been looking at a restructuring of the United Nations and a refocusing of the United Nations on the drug issue. So this could be very timely. It's something that we certainly would like to discuss with you.

Mr. COUGHLIN. I made the proposal because I see some difference between the heroin problem and the cocaine problem——

Mr. LEVITSKY. But I would say——

Mr. COUGHLIN [continuing]. In terms of the United States consuming a relatively small proportion of the world of heroin.

Mr. LEVITSKY. But I would say internationally, of course, heroin tends to be a bigger problem for most of the world than cocaine is, so that there is a lot of international interest. And that's why our strategy, in fact, puts a great emphasis on international action.

Now, if I might just briefly summarize my statement. And let me say that with me, of course, we have Dr. Kleber and representatives, Mr. Caffrey from DEA, and Mr. Hensley from Customs, to talk about aspects of the heroin problem.

Supply and demand reduction must be complementary efforts, and we have sought to ensure a continuing congruence between them. So when I finish my remarks on the foreign policy aspects of the issue, Dr. Kleber will brief you regarding the broader elements of our heroin strategy and the connections between supply and demand. And each responsible agency will also inform you of its activities.

So let me just briefly summarize the way we see the heroin problem, particularly as it developed in the last year. And I want to mention a few positive things because these things are often not mentioned.

For the first time in 10 years, there was a halt in the rise of coca cultivation and opium production, according to our best experts' estimates. Opium production, we figure, which had been growing at an alarming rate, dropped by about 10 percent in 1990.

There were weather conditions in some areas of the world that accounted for this, but, of course, last year there were weather conditions that boosted up the crop in certain areas.

But improvement in law enforcement and eradication activities also contributed to the decline. Unfortunately, this did not apply in Burma, the principal producer of opium in the world.

But let me mention a few places where, in fact, there were strong efforts. The Mexican Government's eradication campaign was much better organized and stronger last year. They eradicated about half of their opium crop, by our estimates.

In Thailand there was a reduction of the crop through governmental efforts. In Laos, partially as a result of our own crop control project in Laos, we saw about a 27-percent reduction.

In the Helmand Valley in Afghanistan, as a result of one commander's efforts on his own, virtually the entire opium production of that valley was wiped out last year, and substitute crops were grown. Now, we didn't have much to do with that because we have little influence inside Afghanistan. On the other hand, it is something that can be ascribed to the specific action, I think, not just the weather.

In Guatemala, also the eradication effort improved, even though there was pressure, more and more pressure, coming from the crop moving across the Mexican border. So there was eradication, again, of perhaps over half the crop, at least in the places that we could help them get to.

There were also advances in the international aspect of this, in the attempt to internationalize this. The financial action task force addressed money laundering, came up with strong recommendations. This will be taken up again in London at the economic summit and we hope further institutionalized and strengthened in terms of national legislation.

The chemical action task force was created after the Houston summit, economic summit, last year. We've had a series of meetings with 25 countries, important producers and consumers of the chemicals, the essential chemicals.

There have been strong recommendations made that are now being considered by national governments. We hope they will be given endorsement by the London summit and then again brought into the international ambit and institutionalized.

There were a number of other international initiatives. We created the Dublin group last year, something that we had put into the President's drug strategy as, what we had called at that point, a European initiative, but we broadened that.

We are dealing with the countries of the European Community, the European Commission itself; Japan, Australia, Sweden, and Canada in trying to form a consultative mechanism, coordinate our assistance, and to try to see how we can all work together on this issue. So I think in the area of international activity, which is important regarding the heroin issue, we've made a tremendous amount of progress.

Now, I want to just—I don't want to mention every country in the world that produces opium and heroin, but I do want to go through a few highlights of some of the more significant countries. And the news here, of course, is mixed. It's good; it's bad. It's discouraging, and it's encouraging in some countries.

The fact is that the traffickers in heroin, as traffickers in cocaine, are strong, powerful, ruthless, and very flexible. There is a lack of political will in a number of the countries. As we have pointed out in our international narcotics strategy report, we have a mixed record.

In Burma we are dealing with a military regime that not only has an appalling human rights record, but which has reached a political accommodation with some major narcoinsurgent groups. And it seems to us the question is whether it's more interested in whitewashing its record than engaging in real efforts to stem opium production and heroin trafficking.

In Thailand a military coup overthrew the elected Government on February 23. As you know, we deplored this action. Under the law, we cut out our assistance programs, except the narcotics program. We are still talking with that Government.

The interim Government of Thailand has said that it will move quickly and forcefully against narcotics trafficking. There have been some glimmerings, some positive developments in enforcement over the last few months.

We are hoping, as we have been promised for a number of years, that the asset seizure and conspiracy legislation will go through and be put into Thai law. That would be extremely important to their ability to deal with traffickers.

And we are waiting to see, but we have at least some positive feelings about what may happen there. At this point it is still a question mark.

In Laos, we had begun to have a foothold into Laos last year. We set up a crop control project. It had results. The Laotian Government put some of its own money into that project, more than was anticipated. You know, you were there. So that we have, I think, shared credit for the fact that the Laotian Government is now beginning to take this issue seriously.

But there are severe problems. We have continuing reports that military elements of the Laotian Government continue to traffic in the same substances that we are trying to control. So, again, we have a mixed record, and it's one that we have to work on.

We have been working with the DEA to try to get a better arrangement there in terms of law enforcement cooperation and with Customs as well to try and get our connections and advance our interests in Laos, but we still have a way to go.

In Pakistan we have somewhat the same problem we have encountered over the years. Political authority is diffuse, divided, low control over some of the northwest tribal areas, a lack of political will in some cases on the part of the Pakistani Government.

We continue the dialog with that Government. The new Government seems to have settled down and has begun to devote more attention to the narcotics problem.

There are several things, significant things, that have happened in the last 5 to 6 months: A major seizure of almost 2 tons of

heroin, a very large seizure; 19 tons of acidic anhydride, an important, essential chemical to the production of heroin received, and are still in the hands of the Government, being held away from the traffickers; and we've seen, as a result, the cost of the business of trafficking rise; more indications that the frontier corps in certain areas of Pakistan will be involved, particularly in Baluchistan, and we are planning to work hard to press that forward.

There are other areas of the world where we have seen the patterns change. We're concerned about the China route now from Burma through Southern China, Hunan Province.

We have talked to the Chinese about this again, a somewhat difficult dialog, but they themselves are concerned because they're seeing both heroin addiction in Southern China and AIDS rising. And so we hope that there will be an opportunity to do something with them as well.

And I would say as a final point here in this brief summary of my statement: One of the things that concerned us most, and I know this concerns Dr. Kleber as well, is that we see demand rising outside the United States for heroin in a way that is much more alarming, I would say, than with what is happening in the United States.

And this has two aspects to it. One, it makes more countries concerned about the issue and willing to work. On the other hand, it undermines our efforts to work against the supply because it keeps trafficking organizations strong if they have alternative means of making money.

So it's something that we are emphasizing more in terms of working with countries on demand reduction. And we have structured together an international demand reduction program. It doesn't have a lot of resources in it at this point, but we are going to put more resources in.

We are going to have more efforts on this side because we have to help other countries bring down demand as well. Otherwise, the market is so big that it makes our efforts on the supply side even less effective.

We have given you our heroin strategy. We have an action plan to implement that that we are still discussing interagency, among the agencies, in terms of what each agency must do to carry it out.

We will certainly come forward and talk to the committee. There are elements of that that cannot be discussed in a public hearing, but we certainly will come to the committee when we have that put together and have the interagency clearances to tell you how we plan to implement the overall program and heroin strategy.

And with that, thank you very much. Dr. Kleber is here to talk about the demand side.

[The prepared statement of Mr. Levitsky appears on p. 37.]

Mr. RANGEL. OK. Let's see what we can do with supply here. Regarding Iran, is there any cooperation with the Soviet Union in dealing with some of the production problems we're having in Iran?

Mr. LEVITSKY. They have had discussions. The Iranians have had discussions with the Soviets and they have had discussions with the United Nations. They have not discussed this with us.

All we have now are a number of reports of executions of drug dealers, of attempts to stop the flow through Iran. We can't confirm most of these. In fact, there have been other reports that, in fact, the executions were not just of drug dealers.

Iran, I think, as a national policy, from what I'm able to determine, does not want to have a nation of drug addicts. Their problem has increased tremendously. There are estimates of 2 million, perhaps 2 million or more drug addicts within Iran.

Drug usage is against Islamic law. So one assumes they have at least the inclination to do something about it, but we do not have the information that shows that; in fact, it is a serious, sustained program and a program in which they want to work with the rest of the international community.

There have been trilateral talks also between Iran, Pakistan, and Afghanistan on this issue, but, quite frankly, at this point I couldn't say that we have seen a result.

Mr. RANGEL. With India and China, is there any indication that there is an increase in diversion from India or any production of opium in China?

Mr. LEVITSKY. There have been reports of production of opium in China; that is, opium moving across the Burma border into southern China in the Hunan Province.

At this point, however, it is not what one would term a major issue. The major issue is still the Burma problem and the trafficking, the transit, through China.

The Hong Kong authorities are now seeing, we believe, over half of the heroin that ends up in Hong Kong coming through this China route. So that's a matter of grave concern, and it's a relatively new development.

Some of it relates to the fact that there have been pressures in other parts of the route that come out of Burma. And, of course, as we've seen with cocaine, the traffickers adjust. They're flexible. They try other places.

We have some plans, and we're still considering them with regard to discussions we could have with the Chinese. We have discussed this in a certain way with them, and we may have to raise the level of that dialog because a lot of that heroin comes through that route and it makes its way to the United States.

On India there are mixed opinions, quite frankly, on how much is diverted and how much illicit growth is diverted from their legal crop which they are authorized to grow.

One of our U.S. companies that visited there recently had a somewhat more positive view of the diversion to the West. We have not been able to confirm that ourselves, but they in their own study of this indicated that they thought that perhaps our diversion estimate—we've been saying 20 or 30 percent—was quite a bit too high. I can't confirm that. All I can say is that the company is a reputable company. So we take what they say seriously.

What we are more concerned about in India is the fact that the Burma border, which has not been much emphasized in India, their border with Burma, now seems to be seeing more traffic, as opposed to the Pakistani border, which has always been a problem.

We have emphasized this with the Indians, and they have taken some measures, but there still seems to be a lot of leakage over

that border through India, through Bangladesh, and other countries and then further out.

So both of those countries are a problem for us.

Mr. RANGEL. There's been a lot of international concern about opium production in Syria. Is that on our international agenda?

Mr. LEVITSKY. It certainly is, but it's not really the production in Syria. It's basically the production of opium in the Bekaa Valley of Lebanon, where the Syrians have had control over a number of years.

Last year there was poor weather, so that the production went down. It went down about 20 to 30 percent, in fact, but we continue to get reports that Syrian military officials there in the valley have engaged in or helped trafficking.

What is interesting recently is that we have had some reports of large opium and heroin seizures and hashish seizures by the Syrians there. They have publicized this. It isn't a coincidence that the publicizing of this came up before Secretary Baker's trips to Syria. They know it's on the agenda. It's been raised with them.

I wouldn't want to go into the details at a hearing on this issue, but, in fact, they're aware of our concern. It's been raised. And we have to see whether these reports indicate a sustained effort by the Syrian Government to really deal with that problem in the Bekaa Valley, which is a serious one.

Mr. RANGEL. A last question, sir: With all of the ups and downs internationally in production, what is your guesstimate of the net result? Is there an increase, and if so how much, in production of opium?

Mr. LEVITSKY. As I say, last year we saw what we think is a decrease. I emphasize this is expert judgment. And I have tried, as you know, to insulate in a way the policymakers from the experts' judgment to try to make sure that it's our best estimate.

As I mentioned, the efforts in Laos and Thailand and in Afghanistan and Mexico and weather resulted in a net reduction.

My guess is, frankly, Mr. Chairman, that, particularly in Afghanistan since the person who was in control of the valley was assassinated last year, maybe because he wiped out the opium crop, that we're going to see the Helmand Valley return to opium production. So, I can't be too optimistic about whether that reduction is going to be sustained.

I do think in the areas where we have programs and good relations with the governments and a drug policy, that we will continue to see reductions, but in those areas where we have no control, I can't be as optimistic as that. So we may in fact see a rise over this year, unfortunately.

And there's a growing heroin market in a number of other countries.

Mr. RANGEL. Let me again thank you for the great job that you're doing for our country.

When you do find lines and sentences that have been uttered by the Secretary of State and you don't believe he is receiving adequate attention for it, you share it with me, and I'll put it in the Congressional Record because whenever the Secretary of State thinks that drugs are important enough to make a statement about it, at least we in the Congress should know.

Mr. LEVITSKY. Let me give that excerpt from his record.

Mr. RANGEL. It won't take that much space.

Mr. LEVITSKY. It won't take that much, but it has impact. It has real impact.

Mr. RANGEL. It depends on how you read it. So whatever you've got is appreciated. It's a lot more than we've gotten in the past. So, I don't care how small it is, I know it's dynamite, and I want to share it.

OK. I'd like to have Larry to inquire, and then we will go to Dr. Kleber because he has a time problem. Then we'll get back to the regular questioning by the other members.

Mr. COUGHLIN. Let me just ask a couple of questions. Who talks to the Burmese these days? Anybody? Or are they just so withdrawn that——

Mr. LEVITSKY. No. You mean—well, we talk to them. We do talk to them, Mr. Coughlin. We have a charge there. So he talks with the Burmese. The DEA——

Mr. COUGHLIN. Who do they depend on? Who do they need things from?

Mr. LEVITSKY. Japanese, Germans, some of the Scandinavian countries. And part of the reason for having this Dublin group is to see whether we can't increase pressure. They talk to the Chinese as well. They have a relationship. They talk to the Thai. So our effort has been to try to maximize pressure, and we haven't been too successful on this subject at this point.

Our ability to get in and do something there because of the nature of the regime is slight, I would say, but we do have ongoing law enforcement contacts.

The Burmese, I think, have felt the pressure internationally somewhat because they have been publicizing drug burnings. Again, you have to look at these in a realistic way as to what they ultimately mean in terms of their intentions.

On the other hand, it does appear that they have been affected somewhat by everybody focusing on them. And the reason that a number of countries are focusing on them is because a number of countries are having more and more problems with heroin and blaming it on the Burmese because they have by far the largest crop. They could supply the whole world. Everybody else could wipe out their opium, and the Burmese, with what they've got, could supply the whole world.

Mr. COUGHLIN. Are the Chinese providing military assistance to Burma?

Mr. LEVITSKY. I'm not sure if it's in the category of military assistance. There have been some reports, at least, that they plan to sell them some military equipment. Whether that has gone forward or not at this point I can't tell you, but let me try to get an answer in writing for you on that.

[The answer supplied by Mr. Levitsky is set in the following paragraph.]

There are credible press reports that the Chinese Government has agreed to sell approximately $1 billion worth of military equipment to Burma. This equipment is said to include aircraft, patrol boats, tanks, and small arms. We have raised these reports with the Chinese, expressing our concern that such sales can only fuel further instability in Burma and encourage the SLORC in its repression of democracy.

Mr. COUGHLIN. Briefly, in Laos, when we were in Laos, Laos had agreed to, as I understand it, have a DEA presence there.

Mr. LEVITSKY. Right.

Mr. COUGHLIN. That DEA presence, is it there now?

Mr. LEVITSKY. Well, DEA—I'll let DEA speak for itself here.

Mr. CAFFREY. We're handling that liaison at our office in Thailand. We have been granted multiple-entry visas to go back and forth and begin preliminary liaison with the Laos. We have received some information——

Mr. COUGHLIN. That was a couple of years ago, but things are moving pretty——

Mr. CAFFREY. Well, we have added a position there. That is in the last year, actually, year and a half.

Mr. COUGHLIN. And recently there was a news report that the Laotian Government was, indeed, involved in dealing. Is that substantiable or not?

Mr. LEVITSKY. Well, that particular report had some question attached to it. On the other hand, we have said very openly in our narcotics report that yes, we have good, credible reports that elements of the Laotian military have been involved in trafficking, per se, mostly marijuana.

What I would say in Laos is that we have a foothold. A lot of this resulted from visits by us, by members of this committee and other congressional visits.

I think the Laotians take their own problems seriously. This crop control project has brought some success, but we've got to go beyond that.

We've had a little bit of progress on the DEA side. We want, but we don't have established yet, what I would call a narcotics unit that is devoted to the narcotics issue.

So, although we have contact and we have a multiple-entry visa for DEA and we have taken some limited steps, we still have a way to go. And so we need to keep discussing this with them and engaging with them.

Mr. CAFFREY. They've provided us with some minimal information with respect to the movement of opium samples in mail parcels coming to the United States, but I would categorize it as an intelligence exchange.

Mr. LEVITSKY. We've also had some contacts with Customs as well that at least have some prospect of being cut.

Mr. COUGHLIN. I'd like to hear from Dr. Kleber, but let me just say that it would appear that a heroin strategy, as differing again from a cocaine strategy, is really a mobile strategy because from the supply side, you've got supplies in various other parts of the world.

Mr. LEVITSKY. Well, I think that's probably the most difficult thing, not only from various parts of the world because it comes at us from our hemisphere, it comes at us from Southwest Asia, Southeast Asia, it's also the unfortunate fact that it grows in some areas that are, in essence, denied to U.S. influence at present. So it makes it more difficult.

Mr. COUGHLIN. Thank you.

Mr. RANGEL. If there are no objections from the committee, we will accommodate Dr. Herbert Kleber, who has a time problem,

and then have questions from the members and then go back to the Secretary for supply reduction.

STATEMENT OF HERBERT D. KLEBER, M.D., DEPUTY DIRECTOR FOR DEMAND REDUCTION, OFFICE OF NATIONAL DRUG CONTROL POLICY

Dr. KLEBER. Thank you, Mr. Chairman. Thank you for your help in terms of the time problem.

Just a moment in regard to opening remarks. I'd like to stress that the President and the administration do have a commitment to address this problem. In a time of severe budget constraints, the administration had asked for increases in the overall drug budget of over 10 percent, the highest for any domestic program. And the Secretary of Health and Human Services, Dr. Sullivan, has asked for over a $100 million increase in treatment.

Mr. Walters, our chief of staff, regrets that he's unable to be here today. He's on travel with Governor Martinez.

I appreciate the opportunity to testify today. And, if I could, I'd like the statement admitted into the record, and I will try and just touch on some of the highlights on it.

Mr. RANGEL. Without objection.

Dr. KLEBER. While our focus on the current epidemic use of cocaine remains a high priority, the history of drug use in our country over the past century gives a clear warning that we must be vigilant if we are to be successful in preventing a new drug epidemic. And that is why we are giving serious attention to the potential for an increase in heroin use in the United States.

I note, however, that I attended a meeting just a few weeks ago in Annapolis that the National Institute on Drug Abuse had convened with drug epidemiologists from around the country. And they concluded from looking at all available data, when you look at that data, heroin use trends are flat. Nonetheless, there are reasons for concern.

As you already heard Secretary Levitsky testify to, and you'll hear, I'm sure, from DEA, worldwide production of opium has increased. We were lucky enough to have that decrease in the last year, partly due to control efforts and partly because of weather. And we should not be optimistic that that will occur in the coming year.

Most, as you and Mr. Coughlin have pointed out, is being produced not for U.S. consumption, but for other countries. But in our own country, the law enforcement agencies have detected an increase in the purity and supply of heroin in some of our cities.

This is especially of concern at the present time because every stimulant epidemic that I have been familiar with has been followed by the increased use of sedatives.

Stimulants like cocaine wear people out. They leave users feeling nervous, paranoid, irritable, and restless. And stimulant epidemics then end up often with a number of the users going on to sedative-type drugs, of which heroin is one.

That's why I predicted over a year ago we were not going to have another stimulant epidemic, we weren't going to have an ice epidemic, but I think there is more reason to be concerned about heroin.

44-140 0 - 91 - 2

The greater purity of heroin on the streets increases the likelihood it will be smoked or taken intranasally. Indeed, there are anecdotal reports from New York City that intranasal use may be increasing. Some drug users who previously stayed away from heroin because of their fear of needles and infection may now be more willing to smoke it or snort it.

Nonetheless, while I believe careful attention is warranted, alarm is not. Both historical patterns and the data that my office has seen suggests while there may be some rise in heroin use in the next few years, the numbers will not be anywhere near the scale of the current cocaine crack epidemic.

Two of our most important indicators, DAWN and DUF, have shown no recent increases. In fact, from the first quarter of 1989 to the second quarter of 1990, heroin emergency room mentions reported by DAWN have fallen 25 percent.

You'll hear more about this chart from DEA. It shows the increase in purity over the last few years and the decrease in price.

There was some increase in heroin deaths over the last few years, but, again, in 1990, in spite of the increased purity, the DAWN indicators—we only have it so far for the first half of 1990 because of the changeover to a new reporting system—show that those are clearly down.

And the final chart here shows graphically the overall emergency room mentions. You see after a steady period of rise over the last 5 years, that sharp drop in the last quarter of 1989 and the first half of 1990.

I believe that's very important to keep in mind. One swallow doesn't make a spring, and I can't be sure this will continue, but so far, at least, I'm encouraged by it.

There are a number of factors working in our favor. Currently the use of all illegal drugs appears to be down. Marijuana, for example, is at the lowest level it has been since 1973. Furthermore, and this is a very important point, no one is arguing that even though the demand for cocaine is going down, that the supply has particularly diminished.

It's a mistake to assume that use will always rise in the presence of increased availability. And it's equally mistaken to deny the possibility that use can even decrease while supply remains high.

I think what we have seen with cocaine over the past 5 years with drop in casual use and over the past year with drop in heavy use attests to the fact that demand can drop even while supply is high.

I would attribute this decrease in large part to the fact that overall drug use is becoming denormalized in the United States. Heroin is still highly regarded as a dirty, very addictive, and antisocial drug. It is not the chic, sexy drug that cocaine was when the cocaine epidemic began. It's hard to imagine large numbers of influential men and women of Wall Street or Hollywood doing heroin at pool parties. There may be a few, but not in the way that cocaine happened.

While it's not impossible that heroin could become glamorized and more popular among some groups, its reputation and stigmatization over the last 50 years renders this unlikely.

Recent data I have seen suggested most of the people using heroin today began their use in the 1970's, so that we're not seeing a large increase in new initiates; that is, a rise in number of non-habitual drug users. We're not seeing that. What we're seeing is some increase in the number of people who are using cocaine or crack switching over to heroin.

Data that I have seen indicate that the average age of heroin users has been relatively constant, which, again, suggests that there has been no major influx of younger first-time users.

While the picture that I presented so far of the possibility of a future heroin epidemic has been mixed, some good news on the demand side, some bad news on the supply side, it would be a mistake to take a wait-and-see attitude.

The Federal Government is taking steps domestically and internationally to reduce the possibility that the Nation will face a significant upswing in heroin use. To begin with, we are monitoring the domestic consumption situation diligently and are improving data we now possess.

In addition to continuing the DAWN and DUF indicators, we are undertaking major improvements in the national household survey: Increasing the frequency of the survey to yearly; and oversampling previously undercounted groups, like the homeless and the incarcerated. We will continue to employ the NIDA community epidemiology group, which helps us pinpoint trends.

The potential threat of increased heroin use in the 1990's is a good example of why long-term, comprehensive prevention efforts are needed and why Federal prevention efforts should not become drug specific.

We have resisted that. We try and say we need an overall demand-reduction strategy that focuses on overall illicit drug use, not singling out any particular drug.

This does not mean that prevention efforts should not target certain at-risk populations, but initiatives, such as OSAP's high-risk youth program; the President's strong new initiative at the community level, the community partnership grants; and the drug-free public housing programs are aimed at those who may be more vulnerable to increased heroin use. Federal funding for prevention has doubled from 3 years ago. The President's request for fiscal year 1992 is more than double what it was for 1989.

Treatment is also a major priority in the President's strategy to those addicted to heroin and other illicit drugs. We know a great deal about the treatment of heroin addiction, and the treatment system, ironically, remains more geared to heroin treatment than to any other kind of drug dependence.

While Federal treatment funding has increased 71 percent over the past few years, Congress could be more helpful. You will recall, Mr. Chairman, that for fiscal year 1991 the administration requested an increase of $100 million for the ADAMHA block grant. Congress provided only about one-third of this amount for drug treatment and prevention grants to the States. We know of your committee's support for drug efforts. We would like your colleagues to be more helpful in this regard.

We also are pursuing a stepped-up program of research that will develop and test promising new methods to treat heroin addiction.

Within the next few years, we should have available for widespread use medications such as LAAM, which should help with the methadone diversion issue; a long-acting form of naltrexone, which will last about once a month, which will give us a new weapon; and a drug that may substitute for methadone maintenance, a drug called buprenorphine. We are improving our medication.

These efforts suggest the need to continue and expand our medication development effort as well as our overall research to find out more of what is going on in the brain and better behavioral and psychological techniques.

This concludes my prepared remarks. I yield to my colleagues at the table here, and I will be happy to answer any questions that you or your colleagues might have.

Thank you.

[The prepared statement of Dr. Kleber appears on p. 51.]

Mr. RANGEL. Well, thank you, Doctor.

I assume with all these declinations in drug use, that when you testify, you don't mean New York City. You're just talking about the country in general.

Dr. KLEBER. Certainly, the data we're looking at includes New York, as well as the rest of the country.

Mr. RANGEL. When you throw Utah and Idaho in, it balances out? Because I'm always looking for that bright side that I hear from these household surveys that your office conducts, where you call up people and you ask, you know, "Was drug abuse in your home down or up?" and they tell you it's down and then you report it, and you go to the schools and you deal with the seniors and you ask, "Are you using less drugs?" and they say "Yes," but you don't go to the jails or the homeless or the people in the street or the dropouts.

Dr. KLEBER. The new surveys do that. And, as we pointed out when we testified not too long ago in front of you, the household survey is not a telephone survey, it is a face-to-face one, and that we assume that the constituents in the New York neighborhoods are as honest as they are elsewhere in the country, and I have every reason to believe that they are giving us accurate data.

Mr. RANGEL. We're here to help you. And we just want to find out whether you're using drugs. I understand it. I used to prosecute. Most everybody would confess before we even asked.

Dr. KLEBER. It's an anonymous survey.

Mr. RANGEL. I understand. You don't give your name. You just talk about the cost of your habit. And we don't even ask who your suppliers are.

Dr. KLEBER. You put it down on a piece of paper, which the questioner does not see. And then you mail it in the mailbox without——

Mr. RANGEL. I'm not going to solve this, and I'm not going to belabor this, but it's so difficult for a junkie to admit that he's a junkie. It's impossible for a mother to admit that her children are on drugs.

And you're telling me that you're sending out these papers that say "Don't give your names, but just tell us the truth."

Dr. KLEBER. Well, the New York State——

Mr. RANGEL. Well, they lie in New York. OK?

Dr. KLEBER. New York State itself reported that drug use was down in New York City.

Mr. RANGEL. They're lying to you in New York.

Dr. KLEBER. Oh?

Mr. RANGEL. And that's something, too. You talk about DAWN. You and I are going to visit the emergency wards, not only in New York, but in the major cities. And you take my word for it, that these doctors are so overworked and so cranked out that they're not even looking for traces of drugs.

If you have a heart attack, it's put down as a heart problem. If someone has diabetes, or if someone has kidney failure, even though you, as a doctor, will look at the person, see the tracks, and know it's directly related to drug use, you just put down what the case is. The doctors really don't consider themselves a part of the law enforcement or drug identification problem. They claim they don't have time for it.

And our man in New York, Mr. Webb, who I know that you work with, has indicated to this committee and, I assume, to you that there is an increase in addicts that use crack and now are adopting heroin——

Dr. KLEBER. Yes.

Mr. RANGEL [continuing]. As a mixture for it.

Dr. KLEBER. And I thought I agreed with that, i.e., an increase in crack addicts using heroin.

Mr. RANGEL. Yes. This has been an increased problem that we're facing in New York, especially with those people. No matter how much money there is, they're trying to find some type of treatment for it.

In addition to it, we find diversion problems with the methadone modality. And a lot of our hospitals and clinics are now being faced with closure by the Drug Enforcement Administration and other Federal agencies because of their failure to abide by the Federal laws.

And so things are pretty bad, and, of course, there have been the budget cutbacks in the city and State. You see, you may think that I'm always asking for a lot of money, but, really, if you listen carefully, I'm asking for a lot of leadership.

And I just would hope that wherever we have a treatment center in our cities and our countries where you can track down the Federal dollar, that you also have accountability and that the Congress is informed as to what is working.

So many people in the Congress have come to me to ask me, "What is working in the city of New York?" If my life depended on it, I would not know who in your administration to go to ask this question.

Dr. KLEBER. If I may respond to another point that you raised, if this is the same report from Arthur Webb that I have seen, it does suggest some increase in the number of crack users switching over to heroin, which, indeed, I thought I had mentioned in my remarks, but it also indicated that they also see a decline in crack use in New York City.

Mr. RANGEL. Use?

Dr. KLEBER. Yes. My memory is, and Mr. Webb agrees, that cocaine—that DSAS in New York State agrees that cocaine use and

crack use are down in New York City. And, in fact, the police are indicating that, and the reporters from the various New York papers are indicating that.

And I think that what you're seeing is that all of the indicators, not just the formal ones, the DAWN, but things like DUF, the arrestees, which don't require people to give any kind of response other than to give their urine, also are indicating a drop.

So we're seeing a consistent pattern. We're not there yet. And I don't want to in any way imply that we're out of the woods. I just want to say that the trend is going in that direction.

In terms of your point about the methadone clinics, this is also something, of course, we are concerned about. DEA, FDA, and NIDA have been meeting on this. They are working together to prepare a number of things to deal with it.

There's a methadone policy review group that has now been set up. A handbook will be put out on the Federal regulations to help the operators of these clinics do a better job of complying. NIDA is going to be providing technical assistance, along with OTI, to any of these clinics that are out of compliance.

At a time when treatment is badly needed, we would strongly discourage closing down these clinics. We would want to provide technical assistance. And only then if they have not been able to improve their performance would we want to see that, because we need every treatment program out there that we can get.

But I agree they're not all as strong as we would like. And we would hope that those agencies working together can improve them. If what I have been told about LAAM comes true—this is the long-acting form of methadone—it would in many ways take away the diversion problem because you wouldn't need to have takeout. LAAM lasts 3 days.

And on your point about what works on treatment, we have put out a treatment white paper that indicates what we believe works. And, certainly, your colleague from New York, Dr. Primm from OTI or Dr. Schuster from NIDA, would be very happy to answer the questions of any Members of Congress as to what they see as treatment programs that work.

Mr. RANGEL. You share it with us, and we will circulate it. The offer still stands.

I assume the Secretary of Health is making these dramatic leadership statements in connection with the war against drugs, and they're not being reported, even though I congratulate him quite regularly for the war against smoking. And I would be glad to get those statements that he is making and Mr. Martinez, or anybody, really.

And we want to help you to get the word out because we have no problem with Colin Powell and General Schwarzkopf in the war in the Persian Gulf, and I know you're doing the same type of job and the press is not reporting it.

So if you find a line or sentence or paragraph, you get it to us so that we can help get the word out that this is still a priority item with the administration.

Dr. KLEBER. We will be happy to provide you with that data.

Governor Martinez has been speaking out very strongly about the importance of treatment and prevention in the short time that

he has been in office. And I think that's been fairly widely reported, but certainly we will try and get it to Congress.

Mr. RANGEL. It must be our clipping service, then. Well, listen, I may be the only one in the world not knowing what Governor Martinez is doing, but I'm going to make an effort to get out the clippings so we'll know better.

Dr. KLEBER. It is our task to provide to Mr. Jurith and to Mr. Smith so that they——

Mr. RANGEL. Just the releases would be good.

Mr. Coughlin.

Mr. COUGHLIN. Thank you, Mr. Chairman. I want to yield to other members, but just let me say that when the data was bad, we used to quote the household surveys in our press releases. And I hope we can give it the same treatment now that the data is looking better.

Dr. KLEBER. Thank you for that important point.

Mr. RANGEL. Well said.

Mr. COUGHLIN. Let me yield. I yield to other members.

Mr. RANGEL. OK. Dr. Kleber has to leave. So for the members who are here, he is willing to take some questions, and then we're going to hear from the other two witnesses. And then we'll open up the questions.

Is there anyone who would have any questions for Dr. Kleber?

Mr. SHAYS. Dr. Kleber, I just want to ask you: When I was growing up, heroin was the drug. I'm talking in the fifties and sixties. And I'm trying to reconcile the fact that I've heard at this committee before that you don't see a lot of old people who take drugs because they either kicked the habit or they died.

And, yet, one of the points you make to us is that most of the people who are using heroin today began their use in the 1960's and 1970's. To me that's an astounding statement.

Are you saying to me that people have been taking heroin for 20 years, 30 years, and surviving?

Dr. KLEBER. If you look at the trends for heroin use, what you see is that many of them "mature out" or stop using in their late thirties, early forties.

Unlike a drug like cocaine, where the typical addiction pattern is relatively short—sure, you may have some people doing it 10 years, but you're much more likely to have people doing it only 3 to 5 years—it's not uncommon to have people addicted to drugs like heroin for 20 or 25 years.

So that I'm not sure we'll see too many people around from the 1960's, but if you had started your heroin use in the 1970's as a teenager, yes, you might still be using.

Mr. SHAYS. Are these individuals basically functioning people who go to work and do all of the other things that someone who might drink alcohol would have? I mean, are they contributing to society at the same time?

Dr. KLEBER. Heroin is a difficult drug to remain functional on. Some of them, of course, have gone into treatment on methadone. And in a well-run methadone program, you can function quite well.

The majority of the heroin addicts are either unemployed individuals or blue-collar workers. In terms of sheer numbers, blue-collar workers probably make up the large majority.

In our methadone maintenance clinic, for example, in New Haven, over 60 percent of the members of that clinic would be described as so-called blue-collar individuals. So they make up the bulk. And then there's another large number who are unemployed and have not really worked for many years, if ever.

Mr. SHAYS. Let me just say that I have trouble understanding how most of the people who use heroin today began their use in the 1960's or 1970's. And that's your statement to us, but it's just hard for me to reconcile all of the other things we have learned in this committee. I just can't imagine that someone could be functioning for 20 to 30 years as a heroin addict.

Dr. KLEBER. The average age of people entering treatment, for example, in the methadone programs is about 28 to 30, indicating that——

Mr. SHAYS. Well, then they didn't start in 1960.

Dr. KLEBER. No, but in the 1970's. The average age of starting heroin was usually around 16, then if they're 28 now or 30, that would mean that yes, they could have started in the late 1970's. There won't be too many around from the 1960's, and I apologize if I gave that impression, but 1970's certainly.

Mr. SHAYS. I guess my last question would be this: Should I still believe what I was taught earlier in this committee, that drug addicts don't have long lives, they kick their habit or they die?

Dr. KLEBER. In the days before we had treatment, the follow-up studies—and probably the best one was the one done by Dr. George Valliant—indicated that 20 years later, 20 percent of the people were still using heroin, 40 percent were dead or in prison, and 40 percent were clean.

And those are the figures from, let's say, the 1940's and the 1950's, when there was very little in the way of treatment. So that's sort of the natural life cycle.

So yes, 20 years later, you have that 40 percent figure of either being dead or, essentially, locked up in prison for the rest of your life. It doesn't mean everyone, but certainly that's a significant number.

Mr. SHAYS. Thank you.

Mr. RANGEL. Mr. Ramstad.

Mr. RAMSTAD. Thank you, Mr. Chairman.

Dr. Kleber, first of all, I just want to say I'm glad to see there is a heroin strategy, per se. Certainly, I'm sure everybody on this committee is concerned about the increased supply worldwide and the crack epidemic and the nature of that drug as a stimulant. It wouldn't be too surprising to see a great increase, from some of the experts I visited with, in the use of a depressant like heroin.

But my question is a broader one. It concerns the overall drug problem. I'm new to this committee and from a State that emphasizes treatment and education, prevention.

Last week—or 2 weeks ago, rather, Harold Swift from the Hazelton Foundation, I believe you know, testified that right now, according to his data, there are approximately 5½ million addicts nationally. And in looking at the private providers, half of the beds in those facilities in this Nation are empty.

My question is this, Dr. Kleber: Is it the belief of the administration in advancing the voucher plan in the budget to bring the

supply and demand together; that is, those empty beds, the private facilities, private providers, private treatment facilities, with the obvious demand for treatment?

Dr. KLEBER. Well, the voucher proposal is something that we had advanced in the strategy. It's something we want to look at.

There are a number of problems with all of those beds in the private sector. One, they are very expensive. Hazelton tends to be one of the cheaper ones, but it's still about $5,000 to $6,000 for a 4-week stay. And many of these private beds run between $15,000 and $30,000 for a 4-week stay.

If a lot of our treatment money was put into that part of the treatment sector, there would be very little left for any other part of it. And that would be a shame because the data suggests that inpatient treatment is not the optimal treatment for many of these patients. They are not geared to deal with many of the patients that are out there.

And what's really needed is a coordinated system, of which some people will go inpatient, but you will need many more to be in partial-hospital treatment and even more to have long-term outpatient.

And, as I point out in some of my writings, many of our patients need not rehabilitation, which these beds can provide, but habilitation. They have no useful social and vocational skills. And putting them in a hospital for 3 or 4 weeks is not going to give it to them.

What they need is long-term care in a residential therapeutic community—and there the beds aren't empty. They tend to be oversubscribed. The one we visited with Congressman Rangel's staff had a waiting list of over 100 people in New York City. So the TC's are filled, and they are more appropriate for these people who need habilitation.

We're doing a project with the Job Corps, where OTI, Office of Treatment Improvement, will be providing intensive treatment for individuals enrolled in Job Corps Programs.

And, again, that may be a more appropriate way to reach them than to spend a lot of money on a private hospital bed. But there are some ways that they can be utilized, and we would like to see that with a voucher system, at least explore what could be done.

Mr. RAMSTAD. Thank you, Mr. Chairman.

Mr. RANGEL. Mrs. Lowey.

Mrs. LOWEY. Mr. Chairman, thank you.

Dr. Kleber, just to expand on what the chairman's line of questions was, according to our department in Westchester County, our methadone treatment centers have grown to the extent that in the last 5 years there have been 54 percent of people being treated. It's gone from 1,300 to 2,000. There's really been an explosion in Westchester County, compared to the national average of 40 percent.

And one of my questions that results from my visiting the schools, it seems to me that the success of the drug program—and I do see some cocaine use down, marijuana use down, alcohol abuse way up in some of our schools—by the way, uneven drug treatment and drug prevention programs in the schools.

What I am wondering is, the prime focus of our drug prevention programs has been to reduce the glamor of the drugs, raising self-esteem, making kids feel good about themselves, letting them

really believe that it's not glamorous to use marijuana, it's not glamorous to use cocaine.

However, heroin, certainly, the use of heroin, is not connected to glamor at all. And the development of use of heroin certainly hasn't been connected to glamor.

What are you doing about revising our drug prevention programs in the schools? Have you reacted to that at all? Certainly, it would seem to me that the curriculum for prevention of heroin use is very different from the prevention of marijuana and cocaine, et cetera.

Dr. KLEBER. Thank you for pointing—by the way, the point about the methadone increase is true nationally. For many years, methadone numbers had stagnated around 80,000 nationally. I believe now it's up to somewhere between 110,000 and 120,000 people nationally.

So in Westchester, part of that is because of the pent-up demand and the funds for expansion that were provided by the administration and Congress. The increase is probably not due to major new numbers of heroin users.

Mrs. LOWEY. So that's the real concern, that it seems to me we're lying about the decrease in drug use. Yet, there's an increase in heroin use—certainly, in Westchester County, there has been a dramatic increase.

And how are we dealing with this in terms of preventive programs?

Dr. KLEBER. The prevention programs in the schools don't just deal with glamorous drugs. They point out the dangers of heroin. The problem is not so much pointing out the dangers. We did that in the 1970's.

And what we found is that the youngsters would believe that these drugs were dangerous. They just didn't believe it would happen to them. Among adolescents you especially have this feeling of invulnerability, just like some of us might drive at 75 miles an hour, not that we don't know that at that speed you can get into an auto accident and be more likely to die, but you know it won't happen to you. Your reflexes are good, and the road is clear, et cetera.

In many ways, that's what happens to these youngsters. They know that heroin can be addictive. They know it can kill you. They just know it won't happen to them.

So that what you have to do is develop prevention strategies to give them the information, but that also help develop resistance skills to break through those feelings of invulnerability.

And, especially for many of the people who would be at risk for heroin, what you have to do is look at why they're at risk. The average person is not so much at risk for heroin. You tend to have individuals who are at higher risk than others, and that's where some of the OSAP high-risk projects are targeted.

We know that people at risk include children of alcoholics, youngsters with learning disorders, youngsters with attention deficit disorders, youngsters with psychological problems, youngsters who don't have adequate adult role models. What you need are programs that address that.

Mrs. LOWEY. Well, Dr. Kleber, my question is: We're working very hard, and many of my colleagues enjoin me in working very hard to get funds for DARE, funds for student assistance services programs.

Dr. KLEBER. Yes.

Mrs. LOWEY. Based upon your current research, do you feel that the drug prevention programs that are currently in our schools to deal with marijuana, to deal with crack, to deal with cocaine are also addressing the very serious problems of heroin, which seem to be on the rise, certainly in my county, or should we be looking at other programs? And how fast can we get these in place?

Dr. KLEBER. I can't speak to your area particularly. The schools that I have visited, the curricula that I have seen, include heroin just as much as they do cocaine and marijuana. So, in general, I would say yes, they are not excluding heroin.

I would need to look, and I would be happy to have some of my staff look, at anything that your schools in Westchester are doing to see whether, indeed, we agree that they are also addressing heroin, as well as the other drugs.

But, in general, the ones that I have seen do include drug use in general, including heroin.

Mrs. LOWEY. Well, Dr. Kleber, I don't want to belabor the point. I've taken enough time. But I would join my chairman in really asking you for some strong direction. We're struggling, not only in Westchester County, but everywhere throughout the nation.

And I think that I, as a Member of Congress, would like to come to you and say: What works? What doesn't work? Does DARE make sense? Who is the expert? Should we be looking to you? I would think we can and should look to you for that kind of guidance when we're fighting for these programs for DARE.

If heroin is on the increase, if methadone slots are on the increase, then maybe I shouldn't be fighting for DARE. Maybe I should be fighting for something else.

And I think that, clearly, heroin, again, has not grown as a glamor drug; whereas, cocaine and marijuana seem to. So I would appreciate that information.

Dr. KLEBER. The education money, as you know, goes out from the Department of Education to the States and then to the local school boards with basically no control at the Federal level as to——

Mr. RANGEL. Or direction.

Dr. KLEBER. Well, direction, there is more. We had put out last year a model curriculum from the Department of Education, which I believe has been adopted by a number of schools. And that is direction.

As far as I'm concerned, it does tell schools: Here is what we believe works, and this is something you should consider, but——

Mr. RANGEL. I used the wrong word. Maybe accountability.

Dr. KLEBER. That is a much more difficult issue, and we are struggling to try and get more accountability into that light to learn how those funds are being spent, just like we're trying to do it with the overall treatment and prevention money that goes through the ADAMHA block grant.

And we would like that treatment and prevention accountability plan, and I know it's passed Congress four or five times now, but it's never made it through committee.

That would be a very important accountability measure in terms of prevention and treatment if we could get those State accountability plans. So I would urge you to urge your colleagues to help us get that to provide accountability.

Mr. RANGEL. Well, we will have an informal meeting with members of this committee where you could come and share with us where we can better understand what your problems are and how we could be helpful because sometimes there's just a communication problem in what you need and what you think you're accomplishing.

So you get a list of things that you would like to see the Congress do and also the committees that you think have jurisdiction, and we will call an informal meeting together, bring the experts on the other standing committees and try to work with you so that we will have more information to tell our colleagues and our constituents what's going on.

Dr. KLEBER. And I would be happy to make myself available, you know, for such a meeting, to your committee.

Mr. RANGEL. Well, I was kind of throwing the ball in your court——

Dr. KLEBER OK.

Mr. RANGEL [continuing]. To share with us what you need.

Dr. KLEBER. OK. We'll work with Mr. Smith and Mr. Jurith on that.

Mr. RANGEL. Very good. Let's get back to the regular hearing because we're losing members, and we'll hear from Customs and DEA. Mr. Hensley.

STATEMENT OF JOHN E. HENSLEY, ASSISTANT COMMISSIONER, OFFICE OF ENFORCEMENT, U.S. CUSTOMS SERVICE

Mr. HENSLEY. Thank you, Mr. Chairman.

And before I begin the prepared remarks, I was in New York last night at a law enforcement function and they pass along their thanks to you for your support. They do think they have a problem up there, both on the treatment side and on the law enforcement side.

Mr. Chairman, the Customs Service has seen a steady increase in the amount of seizures over the last 5 years. I won't bore you with all of them, but I will do the comparison between 1989 and 1990, the last two figures we have. The heroin seizures went from 1,056 pounds in 1989 to 1,497 pounds, almost three-quarters of a ton, in 1990.

The seizures were also up in the opium area. The opium doubled, over doubled, between 1989 and 1990 to from 901 pounds to over 2,000 pounds.

We were hoping that these trends are signs of our effective law enforcement, especially in view of the downturn in the opium production, although we agree with Secretary Levitsky that it's weather conditions, as opposed to any great strides by the producing countries.

The amount produced by Burma alone could be enough to effectively supply the world. So there is plenty of heroin production out there still in that part of the world.

The U.S. Customs seizures for the first half of fiscal year 1991 amounted to a little over 660 pounds, which indicates it on a nationwide trend will be at or slightly below last year's seizure rate if there are no anomalies in the system.

The fiscal year 1990 enforcement results and preliminary 1991 data demonstrate New York remains the primary destination point and distribution center for heroin smuggled into the United States. As such, New York is the critical link to international heroin trafficking.

The seizure trends established in the first quarter of fiscal year 1991—and I'm talking about the New York area—the New York region of U.S. Customs will set new records for the quantity of heroin seized.

Southeast Asian heroin continues to dominate the user market in the New York region, which represents the fundamental heroin enforcement threat to the U.S. Customs Service. From a supply perspective, Southeast Asian heroin remains the primary threat.

Southeast Asian heroin continues to dominate about 70 to 80 percent of the market in the New York region. High production levels in Southeast Asia guarantee Asian traffickers a readily available supply of low-cost heroin.

Disturbingly to us, no major cargo seizures of Southeast Asian heroin have been made this fiscal year. Our intelligence, however, strongly indicates that Southeast Asian heroin traffickers continue to broker multi-kilo shipments of heroin to the United States, using cargo as a primary means of transportation. Southeast Asian heroin trafficking operations continue to be difficult to interdict, usually small amounts conducted in those seizures.

From a tactical standpoint, West African heroin smuggling operations, as in the past, remain an acute enforcement problem for U.S. Customs. Intelligence estimates indicate that Nigerian heroin trafficking organizations account for 25 percent of all heroin believed to be smuggled into the United States; 43.6 percent of all heroin seizures affected by United States Customs were made from Nigerian nationals entering the United States, primarily at JFK International Airport in New York, which is the only United States airport receiving direct flights from Nigeria.

Upward of 20,000 Nigerians enter the United States annually for the purpose of business or tourism. An estimated 40,000 to 50,000 reside permanently in the United States, with about half that number claiming student status at various colleges and universities.

Currently the West African smugglers' method of choice is the internal body cavity. Couriers swallow numerous small condoms or balloons filled with Number 4, injectable heroin.

The average seizure per subject is about 1½ pounds. The record holder for a swallower, however, is 3 pounds, which was detected on a Nigerian traveling through JFK.

In addition, West African couriers continue to travel to Southeast Asia, primarily Thailand, as part of their ongoing efforts to obtain high-quality heroin for distribution in the United States.

Indeed, the intensity of the West Africans' exploitation of quality Southeast Asian heroin supplies is demonstrated by the financial declarations for Nigerians traveling to Thailand. Between July of 1989 and July of 1990, the Thai Government's official figures show that West Africans traveling to Bangkok declared approximately $50 million in United States currency inbound.

Recently we have seen three changes in the smuggling trends by West African nationals. One, they are changing their locations to various airports in the United States and, in fact, are going through Mexico and Canada and coming across the land border.

Second, Nigerian resident aliens are recruiting American-born black females to smuggle heroin from Southeast Asia in their stead.

And, three, we have seen an increase in Ghanians smuggling heroin from Accra, Ghana, to New York via Europe.

Now, two known reasons for the change: The first is the installation of x-ray machines at the airports in Lagos, Nigeria, and the increased enforcement efforts by the Nigerian Government. The second reason, we think, is the reputation of U.S. Customs and our success in the rate of apprehensions of body couriers.

Southeast Asian heroin trafficking clearly poses the greatest threat to Customs enforcement operations. Southwest Asian heroin trafficking appears to be intensifying, as demonstrated by recent seizures in New York. Developments in Southwest Asia are clearly propelling this increase in Golden Crescent trafficking.

Lebanese heroin production and trafficking are rapidly emerging as important threats to United States interdiction operations. Several recent seizures indicate that Lebanese-dominated networks exist in the United States which use New York-New Jersey as an entry point from which to transport their heroin to distribution rings in the north central and northeastern United States.

Given the huge global supply of heroin and the large consumer market, it does not seem likely that commercial air routes, while operationally important for Customs, are capable of exclusively supplying the domestic user markets in the United States.

The problem for Customs, however, is that containerized heroin smuggling offers unique challenges, some of which differ from containerized cocaine smuggling.

For instance, the volume of containers emanating from source and transit areas in Northeast and Southeast Asia is a staggering 2.8 million container units.

Second, heroin smugglers seem to prefer placing smaller amounts of heroin as they place them in the containers, thereby increasing the chances for successfully evading detection, rather than placing large quantities of the drug in a container, as many cocaine traffickers do.

Third, targeting of suspect cargo is increasingly difficult, given the increased usage of transshipment techniques, which serve to obscure the true country of origin.

Total containerized cargo shipments to the United States are projected to decrease in 1991 by 4 to 5 percent, but there will be an increase in containerized cargo from coming through Southeast Asia.

The overall decrease is attributable to the effects of the current recession of global trade and the particularly strong effect this recession has had on our primary trading partners, Japan, Taiwan, and South Korea.

However, the effects of the recession are expected to be much shorter and less intense in Southeast Asia, where the regional industrial base will rebound quickly from the recession, in part due to their rapidly expanding export sectors.

Countries such as Indonesia, Thailand, Malaysia, and Singapore are expected to gradually increase the amount of their container exports to the United States by mid to late 1991. All the countries I've just mentioned are either source or transit shipping centers for heroin.

Absent actionable intelligence generated by persons associated with the trafficking organizations, Customs interdiction depends on risk analysis based on profiles and use of x ray and other search equipment.

The successful use of these techniques has led to allegations of targeting of ethnic groups and biased law enforcement. This is due to misperceptions about the interdiction process.

The methods and techniques developed by U.S. Customs to aid enforcement officers identify high-risk travelers are free of ethnic, racial, and/or national bias. African nationals generally, and Nigerian citizens particularly, are not singled out for enforcement actions.

However, arriving and departing passengers have itineraries that include travel to, or from, known source or transit countries, such as Nigeria, who share characteristics found to be associated with drug smuggling, are subject to intensive scrutiny by United States Customs officers.

U.S. Customs Service West African drug trafficking initiative has been trained at the diplomatic, congressional, public relations, and training and operational component levels.

It also complements the ONDCP heroin strategy, focusing on a country identified in the international narcotics control strategy report, INCSR, as a major heroin trafficking and narcotics transshipment point.

This initiative also supports the United States Ambassador to Nigeria's program to facilitate the Government of Nigeria's drug law enforcement efforts. This West African drug trafficking initiative is undergoing final in-house agency review and is subject to the interagency review process.

While Southeast Asian heroin prevails as the predominant threat to our enforcement efforts, the Customs Service is aware that Mexican heroin continues to dominate some of the markets in the Southwestern and Western regions of the United States, where Mexican heroin is still readily available and affordable.

The only market identified for Mexican opium and heroin is the United States. Heroin enters the United States through well-established smuggling lanes in Mexico. Transportation routes within the country are numerous and fairly well-maintained. Vehicular smuggling is still the most favored mode for heroin entering from Mexico.

The quantities from Mexico mirror those coming from Southeast and Southwest Asia. We are talking in the area of 1 to 4 kilograms. That's the normal seizure level on seizures we make coming from both countries, both areas.

In October 1990, we established the heroin intelligence unit, located in New York, for obvious reasons. The mission of the HIU is designed to provide both tactical and strategic intelligence assessments of the heroin threat and the significant impact that heroin and associated trafficking organizations have on Customs.

The HIU has completed eight different major studies, including regional assessments, of the heroin threat. It is currently completing the 1991 assessment, which includes an element on cargo interdiction strategy. The HIU is also engaged in three support programs aimed at tactical intelligence.

The headquarters intelligence personnel are active members of the intelligence community coordination groups in the Washington area. These involve a heroin task force, a heroin steering committee, and an analytical production steering group.

The recent initiation of the Customs national passport program, in conjunction with the Department of State, is another intelligence project designed to identify possible narcotics and money-laundering couriers, to include those involved in the heroin trade.

And I would comment here outside of the prepared remarks, Mr. Chairman, that this has been a very effective program, where the passport officers of State have been screening and looking for anomalies in the travel itineraries of people applying for passports. And it has worked very, very well in a department to department process.

In addition, the combined agency border intelligence network, which we call CABINET, is a Customs-initiated task force. CABINET evolved from some of the older programs of the NNBIS and ONDCP policy board programs.

CABINET operates the world's largest data system for the tracking of heroin movement by the West Africans. International in scope, the database contains over 400,000 travel records and in excess of 12,000 violator and suspect records, gathered from such sources as Interpol, United Kingdom Customs, Thai Customs, Canada Customs, and the Customs Cooperation Council, as well as other United States agencies, notably DEA, and their overseas representatives.

Customs also has an enforcement initiative attempting to identify any organized West African groups involved in the trafficking of heroin and the illegal movement of currency. As previously stated, intelligence indicates that the West Africans accounted for over $50 million reported upon entry into Thailand.

We're also conducting periodic blitzes on various export shipments to West African countries. JFK International Airport enforcement efforts have created the West African smuggling project, a program which utilizes intelligence support focusing on West African heroin and currency smuggling.

In closing, we in the Customs Service feel that heroin is a national threat, and we are applying increasing assets, utilizing all Customs Service resources and disciplines to combat the problem.

Mr. Chairman, this concludes my prepared remarks. On behalf of Commissioner Hallett, I am pleased to be here today and would be happy to respond to any questions.

[The prepared statement of Mr. Hensley appears on p. 57.]

Mr. RANGEL. Thank you. Mr. Caffrey, I apologize for the panel. The reason why you are all together is because we had to merge two panels into one because of our legislative agenda. So I thank you for your patience with the committee.

Mr. Caffrey.

STATEMENT OF RONALD J. CAFFREY, ACTING ASSISTANT ADMINISTRATOR, OPERATIONS DIVISION, DRUG ENFORCEMENT ADMINISTRATION, U.S. DEPARTMENT OF JUSTICE

Mr. CAFFREY. Mr. Chairman, members of the select committee, I am pleased to appear before you today to discuss the international heroin situation, as well as the U.S. Government's heroin strategy and DEA's response to the problem.

During this hearing, I would like to address heroin enforcement issues and the challenges, complex challenges, that they pose to us, to the United States and international drug enforcement agencies. Before addressing these issues, however, I'd like to briefly talk about the heroin strategy, which is the subject of our hearing.

DEA has participated fully in the drafting and the development of the interagency heroin strategy. We are currently working with the Department of State and other agencies to draw up an implementation plan.

The strategy is an international heroin strategy and is intended to map out the Government's priorities over the coming years as we face the limited opportunities for progress in our efforts to reduce worldwide opium production and address the immediate and potential heroin trafficking threats.

Our strategy is straightforward. Its goal is to identify, disrupt, and dismantle the world's most significant heroin trafficking organizations, to separate the traffickers from the raw materials needed to manufacture and transport heroin, and to separate these traffickers from their assets.

DEA is working domestically and internationally to accomplish this. Indictment last year in the eastern district of New York of Khun Sa, the world's most notorious heroin trafficker, demonstrates the commitment DEA has to prosecuting and immobilizing major traffickers and their organizations around the world.

And, just as an aside, I would say that at the present time we're conducting about 4,600 heroin investigations on a global basis. Roughly 2,800 of them are domestic investigations; about 1,800 of them are foreign.

Mr. RANGEL. What does that indictment really mean? I thought that it was great PR, but——

Mr. CAFFREY. Obviously, there are great difficulties in terms of locating and extraditing him.

Mr. RANGEL. I mean, we don't have any invasion plans or anything like that, do we?

Mr. LEVITSKY. No.

Mr. CAFFREY. You're not going to let me answer that?

Mr. LEVITSKY. It's a foreign policy question.

Mr. CAFFREY. DEA is making no general conclusions about the heroin situation in the United States. We cannot state authoritatively that heroin use has increased or decreased, nor can we definitively characterize patterns of abuse.

We have concluded, however, that over the past 10 years the heroin situation around the world, and certainly within our Nation, warrants serious concerns.

Although the heroin problem is certainly not on the scale of our crack cocaine problem, DEA considers heroin enforcement a top priority. As drug enforcement experts, we have seen a sustained increase in the availability of heroin in the United States during the past 5 or 6 years.

DEA closely monitors purity, price, and size and frequency of the heroin shipments, all of which are indicators of heroin availability. The purity and potency of the U.S. heroin supply has steadily increased.

Last year nationwide the average purity of all heroin analyzed through DEA's domestic monitoring program was 18.2 percent. Currently heroin purity levels have reached as high as 40 percent in some retail markets, such as New York. Purity levels during the late 1970's and early 1980's averaged only in the single digits.

In a major metropolitan area of the United States, heroin is more affordable than it was a decade ago. The 1990 prices at the wholesale level for Southeast Asian heroin in the United States range from $70,000 to $240,000 per kilogram, compared to $125,000 to $180,000 per kilogram nationally in 1989.

In New York prices average slightly higher at $120,000 to $200,000 per kilogram. The increase in the price of a kilogram of heroin en route from Thailand to the United States is dramatic. In Bangkok a 75- to 90-percent pure kilogram of heroin costs between $7,000 and $11,000 per kilogram.

Costs for heroin differ from ethnic group to ethnic group, depending upon the nature of the relationship between buyer and seller. For example, the unit costs among ethnic Chinese buyers may be lower than when selling to outsiders, which may reflect an increased perceived risk involved.

The price for Mexican heroin averaged $65,000 to $180,000 per kilogram nationally last year. In 1989 Mexican black tar could be purchased on an average for $70,000 to $130,000 per kilogram.

Southwest Asian heroin at the wholesale level cost $80,000 to $200,000 per kilogram in 1990, compared to $80,000 to $180,000 per kilogram in 1989. The New York City prices for Southwest Asian heroin are stable at lower than the national average price. Southwest Asian heroin can be acquired at the wholesale level for as low as $60,000 per kilogram.

The size and frequency of heroin shipments have also increased significantly in recent years. Annual DEA domestic heroin removals quadrupled between 1981 and 1989, reaching a peak of 829 kilograms in 1988.

Recently, we have seen a slight decline in the past year. DEA seizures totaled 633 kilograms. We attribute the seizure decline, DEA seizure decline, to several factors.

Our focus is on targeting major organizations, instead of simply focusing on drug seizures; greater seizures in source countries are resulting from DEA joint operations, and a recent shift in method with fewer large shipments and more difficulty detecting smaller shipments, such as body carriers.

DEA's top heroin trafficking priority is to dismantle or disrupt, wherever possible, Asian trafficking organizations who supply heroin from Southeast and Southwest Asia.

I think last year our determination from our signature program was that approximately 56 percent, or thereabouts, of all heroin analyzed was of Southeast Asian origin.

In response to the Asian heroin threat, DEA has instituted two specific enforcement programs and a long-term joint intelligence program designed to provide funding and coordination of special efforts against those groups, particularly Asians and Nigerians, trafficking in Southeast and Southwest Asian heroin. These programs have resulted in significant seizures and arrests, both in the United States and in other countries.

More important, we have successfully dismantled a number of important and active organizations by arresting their leaders, seizing substantial assets and extraditing untouchable kingpins. We have also increased our staffing in key countries, such as Hong Kong and Nigeria.

These programs draw on resources from both DEA and other enforcement and intelligence agencies in the United States and foreign countries. Such diverse initiatives as marine interdiction programs in the Andaman Sea and financial investigations designed to detect the Chinese underground banking system and the targeting of Nigerian drug traffickers in source countries around the world have been financed by DEA.

In our efforts to reduce the availability of Southwest Asian heroin, DEA has initiated enforcement programs aimed at networks comprised of Pakistanis, Indians, Syrians, Iranians, Lebanese, and many American-based traffickers.

Several more specifically focused enforcement activities are organized under this general program. One operation targets a major Venezuelan-based Sicilian trafficking family that controls a heroin distribution network in the United States, Canada, Italy, England, and Switzerland.

Yet another focuses on a large network of Lebanese traffickers importing large quantities of heroin into the United States. Our Washington field office has made important strides in this facet of the heroin traffic.

While DEA has designated Southeast Asian heroin as our top priority, we're clearly cognizant of the fact that Mexican heroin continues to dominate the markets in the Southwestern and Western regions of the United States, where Mexican heroin is readily available and affordable.

Heroin enters the United States through well established smuggling routes in Mexico. Transportation routes within the country are numerous and fairly well maintained.

Vehicular-land smuggling is still the most favored mode for heroin traffickers. The quantities of heroin smuggled continue to

be relatively small, averaging less than 1 to 3 kilograms, which makes detection a difficult task.

One of the major problems with heroin enforcement has been the influence of Colombian cocaine traffickers in Mexico. The traditional Mexican heroin-marijuana trafficker, through the influence of the cocaine trade, has become a polydrug trafficker and is now using the established smuggling routes for cocaine. Most drug violators who buy from Mexican sources are able to obtain heroin, cocaine, and marijuana.

In conclusion, Mr. Chairman, I believe that the heroin situation is complex and challenging. Heroin is a global problem directed at the developed countries and the Third World. As such, it is truly a hydra-headed monster.

The countless number of ethnic groups who have in recent years entered the very lucrative heroin trade pose linguistic, cultural, and political problems, which at times seem insurmountable.

Unlike the cocaine problem, which emanates from one area in the Western hemisphere and involves Spanish-speaking traffickers, heroin traffickers come from almost every part of the world. Chinese, Thais, Nepalese, Pakistanis, Indians, Iranians, Afghans, Syrians, Turks, Lebanese, Israelis, Greeks, Italians, French, Nigerians, Ghanians, and United States ethnic groups make up the mosaic of the heroin trade.

That concludes my formal statement. And, just by way of conclusion, I would say that, based on my experience, 27 years in this business, I have not seen such dynamic changes in any traffic in the last 5 years as I have seen in the heroin traffic.

I think in preparing for this and in talking to my staff, I think we have concluded with what Jimmy Durante once said, "Everybody seems to want to get in on the act." And that's really what we have observed here in the last several years as it relates to the heroin traffic.

Complexities arise, obviously, as a result of the various linguistic problems that we have in terms of conducting our investigations, in terms of the fact that there is clearly a much smaller milieu of consumer groups, less investigations; ergo, less leads to be able to pursue in many more areas of the world, unlike the cocaine traffic, as I indicated earlier, which is clearly a Western Hemisphere problem.

That concludes my remarks, Mr. Chairman.

[The prepared statement of Mr. Caffrey appears on page 74.]

Mr. RANGEL. Mr. Coughlin.

Mr. COUGHLIN. Thank you, Mr. Chairman.

I'm, frankly, surprised that as small a percentage as 25 percent comes in through the Nigerian connection. That means that 75 percent is coming in someplace else.

Where is the 75 percent coming from? I would ask you, Mr. Hensley and Mr. Caffrey. Are there other big, substantial areas where it is coming from?

Mr. HENSLEY. Mr. Coughlin, I would like to answer that to the degree, but our estimate's in there. It's spread, as Mr. Caffrey said, among several groups.

The Asian trafficking groups still make up the preponderance of the groups bringing heroin to the United States. They control it at the growing areas, and they control it in the transportation areas.

And if you add the Mexican component along the Southwestern border, that pretty well takes care of the two major other groups that are trafficking in heroin.

Mr. CAFFREY. And I think one of the new factors is that among Nigerian traffickers, you have a courier group that is actually scoring their drugs in all-source areas. It kind of skews the figures, but that's why I mentioned earlier that what we have seen is about 56 percent of our lab analysis reflects that that's the Southeast Asian dominant drug in the United States in terms of heroin.

But in terms of individuals who are being arrested, I think I saw a figure recently. About 32 percent of our arrests, heroin arrests, related to Nigerians.

That doesn't necessarily mean that it's all Southwest Asian or Southeast Asian. I think there's a mix there, and I think that maybe throws off the numbers a little bit.

Mr. COUGHLIN. The popular route used to be from Afghanistan, Kashmir, Pakistan through Holland, the Netherlands, I guess to Nigeria, then on to the United States. Is that still sort of the——

Mr. CAFFREY. The popular route seems, in my opinion anyway—maybe Customs would disagree—is wherever they want to make it. I think there was a point, and clearly still is, that New York is a depository, certainly, for Nigerian traffickers.

But as those programs become more forceful and then you have—with the Customs Service in New York's joint suppression program at JFK, as those things become more successful, they opt for other transshipment ports to leave from and other U.S. cities to arrive in. Atlanta has been one, and Washington, DC, is another area.

Mr. COUGHLIN. I have just one more question. What are we doing to cut off precursor chemicals going to Burma? I'll address this to both State and DEA.

Mr. LEVITSKY. Well, we have a general international effort, along with a number of other countries, to try to get control of the consensual and precursor chemicals.

For example, India has a law that any acidic anhydride found within 100 kilometers of the Burma border is, per se, illegal. So they've got the legal structure. What we have found is that the implementation of the laws has not been very good.

When I last visited there, they said they were going to increase their Customs enforcement points in that area to try to do something. They did increase the personnel somewhat. What effect that has, I don't know at this point, but at least there is some recognition of that.

There are chemicals coming across from China. And acidic anhydride is one of them, and that is a very essential chemical with regard to heroin. There is a control on this, but most of it is smuggled illegally.

So what we have tried to do is erect an international structure in the U.N. and in this chemical action task force, which tries to get other countries to take more action against it.

We don't export much in the way of that chemical, at least for the heroin industry. But, for example, this 19-ton seizure by the Pakistanis of acidic anhydride came from Belgium. And so that indicates a problem there.

The other problem was acidic anhydride was not, per se, illegal in Pakistan at the time. They did seize it. They held it. And then while they were holding it, they changed their regulations. But there are some legal faults as well. So we have a way to go in terms of erecting a structure and then erecting the real intolerance of these chemicals going in.

And we saw in the United States the same thing that happened with regard to the cocaine industry. We were a big exporter of the chemicals that went into the drugs that came back to our society. We stiffened our law, and the proportion went way down. We began to see chemicals in Europe.

So it's somewhat like this problem you face with drugs. Wherever you go after them, you find them popping up somewhere else. And you have to then deal with that problem as well.

Mr. COUGHLIN. Thank you, Mr. Chairman.

Mr. RANGEL. Mr. Shays.

Mr. SHAYS. I'd like to thank you, Mr. Chairman, and the ranking member and the gentlemen who have been so patient in spending their time this morning.

I don't have a lot of questions. I just basically would want to list my concerns that the ranking member mentioned. I don't know how we have any impact over Burma at all. And, yet, I'm seeing from the statistics that you're providing us, or that have been provided to me at least, that Burma is overwhelmingly the major producer.

I guess the one thing that I would love to know is—and I've tried to listen to the response, but wasn't sure—what in concrete, specific terms are we doing to stop the exporting of the chemicals that make these drugs, particularly as it relates to Burma because Burma has never produced heroin itself.

Mr. LEVITSKY. Well, we don't ourselves produce the chemicals, as far as I know, that go to Burma. So other countries are the ones.

The Belgium case we are taking up, that doesn't go to Burma. But whenever we find a diversion case, we want to take it up with the country concerned. All we can do is use our diplomatic influence and pressure.

You would think, for example, that the Chinese would have more control since it is rather an authoritarian government, more control over the export of their chemicals, even if it's diverted illegally. And we need to talk with them about that.

So, essentially, the tool we have is diplomatic pressure. There is not an enforcement mechanism internationally, even though it is recognized, for example, in the United Nations antitrafficking convention that it's illegal.

Mr. SHAYS. Mr. Secretary, the comment I would make is, that it seems logical that if we're going to have an impact, that somehow we're going to have to get a handle on the chemicals.

Mr. LEVITSKY. Absolutely. It's a very important aspect of drug control.

Mr. SHAYS. And, very candidly, I realize you have so much on the table that it just seems to me we really don't have a program yet to deal with that part of it.

Mr. LEVITSKY. Well, I would dispute that to a certain degree. The effect has not been great, but we do have a program and we do have strategy to do that, which is international action.

And, as I mentioned, we have a chemical action task force, which has just concluded and has recommended a number of legislative points for member States to undertake. Now we have to push that through the London economic summit and then into the legislation of these countries.

Our own law is very strong in this regard.

Mr. SHAYS. Let me just ask it this way then. I must have missed it. I don't mean that sarcastically, but it may have been mentioned. But where is Burma getting most of its chemicals?

Mr. LEVITSKY. India, China, Sri Lanka, but mostly India and China, as far as we know. There are also, presumably, international shipments from other countries as well.

If you would like, let me get you a written, more precise answer than that.

Mr. SHAYS. Can you get it to our Committee?

Mr. LEVITSKY. Sure.

Mr. SHAYS. Thank you.

Mr. LEVITSKY. I sure will.

Mr. SHAYS. Thank you very much.

[The answer supplied by Mr. Levitsky is set in the following paragraph.]

Acetic anhydride, a chemical important in the production of heroin, is produced in China and India and is available in Thailand. In at least one instance of which we are aware, the chemicals used were from China. Chemicals transshipped from other producers, primarily in Europe, can also be diverted from their legitimate end users to illicit drug production. The chemical has many legitimate uses in industrial processes. As the chemical is widely available in the region, there are many sources from which heroin refiners could obtain it.

Mr. RANGEL. Thank you.

Mr. Secretary, have you found the sanction laws and the certifications—have we been of any assistance at all in your efforts encouraging countries to be cooperative with our international effort?

Mr. LEVITSKY. There is no doubt that the process that we have and the ability to impose sanctions, that is, the ability to cut off assistance, stop programs, has an effect on the performance of countries, absolutely. In other words, they're unique teeth in addition to moral suasion.

Mr. RANGEL. But you really, technically, would not need the Congress in order to have those teeth?

Mr. LEVITSKY. Technically, well, in most cases, it could be done by executive branch exertion of foreign policy. That's right.

Mr. RANGEL. So does it help——

Mr. LEVITSKY. There might be some laws——

Mr. RANGEL Or does it hurt in having the Congress involved at all?

Mr. LEVITSKY. Absolutely, it helps, which is what I said in my opening statement. The U.S. Government, as far as I'm concerned—I've been an Ambassador overseas. When you say the U.S.

Government and you indicate that you mean the Congress and the executive branch, you have a much stronger argument when you are trying to influence a foreign government. There's no doubt in my mind.

Mr. RANGEL. So you would encourage us to continue to be involved in terms of urging the countries to cooperate as well as——

Mr. LEVITSKY. Absolutely.

Mr. RANGEL [continuing]. Providing sanctions where they're not cooperating as long——

Mr. LEVITSKY. Certainly. Sure.

Mr. RANGEL [continuing]. As it does not impede our State Department objectives?

Mr. LEVITSKY. Certainly. And no one, I think, has ever suggested that the Congress not be involved. If it weren't an important issue for the Congress, our argument would lose impact.

Mr. RANGEL. Well, let me thank the panel, and especially the Drug Enforcement Administration. You do an outstanding job, as well as Customs. You are always there and have been. I've prosecuted cases in support of both Customs and many Federal bureaus to try to get dangerous drugs, which truly the frontline troops are involved in.

I wish we could get more support for our local and State law enforcement, but I do know that whenever we ask the questions in terms of cooperation, that they always get DEA and Customs to work with us.

So I apologize, again, for taking up all of your morning, but we had to merge two panels into one. But we thank you for your patience and cooperation.

And here again the offer that we gave you, Dr. Kleber, still applies, where, if individually or collectively, you feel you have a legislative problem that you'd like to present, our committee stands ready, even if we don't have the jurisdiction, to bring in those key legislative players to see whether or not we can work with you to achieve the legislative objectives.

The select committee will stand adjourned. And, Mr. Secretary, Mr. Coughlin, Mr. Shays, and I would like to meet with you afterwards if it's all right.

[Whereupon, at 12:00 noon, the select committee was adjourned.]

PREPARED STATEMENTS

STATEMENT
HOUSE FOREIGN AFFAIRS COMMITTEE
SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL
ASSISTANT SECRETARY OF STATE
FOR INTERNATIONAL NARCOTICS MATTERS
MELVYN LEVITSKY
MAY 7, 1991

MR. CHAIRMAN:

I am pleased to meet with you and the Committee to provide you an update on the Administration's strategy to curtail heroin trafficking and abuse. I hope our discussion and exchange of information today on this important topic will be useful as we work together to address the heroin problem.

When I appeared before your Committee last July, I noted that we were in the process of formulating a heroin strategy. That document has been completed and provides a concise statement of our efforts to control heroin supplies worldwide. In addition, an inter-agency group has formulated a more specific action plan that lists in detail the steps we intend to take to attack the heroin threat. The action plan, which is not officially cleared by all participating agencies, will serve as a guide for development of specific operational programs for the many agencies involved in this effort. It will serve as a road map for the series of actions we hope to take and a tool to be used to measure progress.

As the strategy points out, heroin currently ranks second to cocaine as a drug threat in the United States but remains the dominant drug of abuse in Europe and Asia. Although crack cocaine has focused our attention on cocaine control, I do not need to remind the Committee that heroin remains a serious menace to American society. Since heroin generates greater profit per kilo than cocaine, we believe heroin could become more of a focus in international trafficking organizations targetting the U.S. as cocaine use declines and as our cooperative efforts with coca and cocaine producing countries show even more success in attacking the trafficking organizations.

POSITIVE DEVELOPMENTS

Our International Narcotics Control Strategy Report notes that overall there were anumber of positive developments in 1990. For the first time in ten years, there was a halt in the rise of coca cultivation and opium production. According to our best

experts' estimates, opium production, which had been growing at an alarming rate, dropped by 10 percent in 1990. Weather conditions in Southeast Asia played an important part in this development but improvement in law enforcement and eradication activities also contributed to the decline. Unfortunately, the latter did not apply in Burma, the principal producer of opium in the world.

The Mexican Government intensified its campaign against drug traffickers and increased cooperation with the United States. Scores of officials were dismissed for drug-related corruption. Mexico tightened its interdiction procedures by establishing a Northern Border Response Force which worked with U.S. agencies to interdict the flow of cocaine and heroin.

Furthermore, international cooperation to curb and prevent narcotics money laundering made significant progress last year. Even once rigidly controlled banking societies, such as Hong Kong, agreed to pierce the veil of traditional bank secrecy to deny traffickers access to financial havens.

Several important international goals were achieved in 1990 including the Financial Action Task Force report adopted in April, the OAS Ministerial Meeting in April, the 1988 Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances which came into force in November, and the European Community policy directive which was being readied for final approval in early 1991.

There were numerous initiatives to improve international coordination against drugs. The Dublin Group -- established as a result of a U.S. initiative and including the European Community nations, Japan, Australia, Sweden, Canada, and the U.S. -- met twice in 1990 to assist participating government to develop and coordinate strategic plans and programs to combat narcotics trafficking. The Economic Summit renewed the Financial Action Task Force and established a Chemical Action Task Force chaired by the United States. The OAS approved model regulations to control precursor chemicals. The UN streamlined its narcotics bodies by integrating three of them into one. We have actively supported this move and plan to continue our efforts to strengthen multilateral programs in conjunction with our bilateral efforts. I have just returned from the CND meeting in Vienna, where we and others are pressing ideas forward to establish better coordination and more effective action.

PROBLEM AREAS

As the Committee is aware, there are still serious problems in our efforts to stop the flow of heroin to the United States. Corruption, ineffective law enforcement efforts, human rights abuses, and lack of political will to attack the drug trade

remain in a number of countries. Traffickers and their organizations remain strong, rich, and able to adapt to changing circumstances. These problems are not unique to the opium/heroin producing countries; they are evident in the coca production arena as well.

The problems we face in the countries which are the source of the heroin that comes to the U.S. are significant ones, many of them well known to this Committee. To put some of these in context:

-- In Burma, we are compelled to deal with a military regime that not only has an appalling human rights record but which has reached a political accommodation with some major narco-insurgent groups. The central government in Rangoon does not control the territory in which the narcotics producers operate and seems to lack the political will to tackle the problem. It seems more interested in whitewashing its record than engaging in efforts to stem opium production and heroin trafficking.

-- In Thailand, a military coup overthrew the elected government on February 23. We deplore this action, but we note that the coup leaders have installed a provisional government We have said that individual acts of narcotics-related corruption among certain civilians and the military impede Thai efforts to interdict the large amounts of heroin and opium transiting their territory.

-- In Laos, we continue to receive reports of involvement of certain organizations such as the Mountainous Areas Development Company and some local officials in narcotics trafficking. Our law enforcement relationships with the host government are still at a preliminary stage.

-- In Pakistan, political authority is highly diffuse within the Northwest Frontier Province and the Tribal Territories where most of the opium cultivation and heroin manufacturing takes place. Fearing armed resistance and despite our many entreaties for them to do so, there has been a reluctance by the central government to directly attack the issue of production and trafficking which involves a number of powerful and influential individuals.

-- In Afghanistan and Iran, the United States has no official presence and practically no ability to influence events.

-- In Lebanon, we are dealing with a newly-established government that does not control the territory in which opium is produced. In addition, we have reason to believe that certain officials of Syria, which has troops in much of Lebanon including the opium producing Bekaa Valley, condone, profit from or are involved in narcotics trafficking.

-- In Mexico, the government is working effectively to address problems hampering its counternarcotics efforts, including corruption, and abuses of police authority. It has taken steps to strengthen protection of human rights. Despite the problems, U.S.-Mexican counternarcotics cooperation is strong and productive.

-- In Guatemala, the opium crop grows in mountain valleys and in areas controlled by guerrillas. The Cerezo administration was less than vigorous in rooting out narcotics-related corruption. The Serrano government, sworn in on January 14, 1991, has declared its firm commitment to combat narcotics growth and trafficking and to root out corruption. We expect to work closely with the new administration.

In the many regions through which opium and heroin pass -- southern China, Hong Kong, Turkey, the Balkans -- there are substantial differences in each government's degree of interest in interdiction efforts. Some governments, such as in Hong Kong, have professional forces that work hard to stop the flow of narcotics through the area they control. Other governments, such as in China or Bangladesh, face an almost insurmountable problem of policing an unmarked border with Burma.

It is clear that the problems we face in meeting the heroin threat are many. Unlike coca and cocaine which are concentrated in a limited geographic area destined primarily for one market (the U.S.), heroin is produced in two widely separated geographical regions of Asia as well as Latin America with deep cultural and religious divergencies. It is trafficked through three continents by at least three racially distinct people. In addition, many of the governments of countries in which there is production and trafficking do not regard heroin as "their" problem. Rather it is "our" problem. Since Westerners are the ones that consume most of the drug, reduction of our demand for heroin will drive the supply down and the traffickers away. So goes their reasoning.

AREAS OF CONCERN

I would like to review some current activities in the international heroin arena about which your Committee has expressed its concern.

As noted at the outset, our best estimates indicate that worldwide opium production dropped by 10% in 1990. We were most pleased by the estimated 27% drop in production in Laos. We believe that the central Government of Laos has taken a firm counternarcotics stance and that our crop substitution project in Houaphanh province plus a UN-funded project in Vientiane province have contributed to the drop in production.

At the opposite end of the spectrum, production continues unbridled in Burma. We estimate that over 2,200 metric tons of opium were produced in 1990, down slightly from the previous year but a doubling of the levels produced before 1988. As you are aware, we stopped all non-humanitarian aid to Burma in 1988, including counter-narcotics aid. The government has not undertaken any eradication efforts since then.

Production dropped in Afghanistan from 585 to 415 metric tons due primarily to the efforts of the assassinated Mullah Nasim who imposed a poppy ban in his zone of control. However, with his death, we believe that production there may very well rebound to 1989 levels.

Production in Pakistan increased from 130 to 165 tons due largely to good weather. There were small production declines in Thailand, Mexico, and Lebanon, and a small increase in Guatemala.

Trafficking patterns remain much as we have discussed with the Committee previously. Opium leaves the Golden Triangle either by container, small boat, or personal courier to Hong Kong or other Southeast Asian nations where it is transshipped to the United States. There is more evidence that increasing amounts of Burmese opium leave the country over the land border with the PRC and make their way to Hong Kong. Golden Crescent products travel overland through Turkey and up the Balkan route to Europe. One trend that has caught our attention is the

increasing use of African, primarily Nigerian, couriers for Southeast Asian heroin. There have been many arrests and seizures of Africans in Thailand and even some as far away from the source of the drug as the Republic of Korea.

As noted earlier, we have sought to foster international cooperation against opium cultivation. We have worked closely with the United Nations Drug Control Program (UNDCP), the successor organization to the United Nations Fund for Drug Abuse Control (UNFDAC), to focus attention on opium control projects. UNDCP has crop substitution projects underway in northern Thailand, Laos, and Pakistan. Given the UN's multi-donor structure, we believe that crop substitution projects are appropriate for that organization. Under the new UNDCP sub-regional strategy in Southeast Asia, the organization is seeking to engage pairs of countries in cooperative crop substitution projects. The initial project area is on the Thai-Burmese border and is at a very preliminary stage of development. We have encouraged the UN in this undertaking but have warned the organization that all facets of such a project must be subject to UN monitoring and not just that of the host governments.

Your concern about drug control problems in the Golden Triangle is certainly warranted. DEA reports that about 56% of all heroin seized in the U.S. originates in that part of the world. Over 80% of the heroin in the Chairman's home city of New York is estimated to be from Southeast Asia. The narcotics issue is at the heart of our relationships with Burma and Laos and plays a major role in our relationship with Thailand.

Little has changed with regard to Burma since I last reported to the Committee in July 1990. The President once again denied certification to the country citing its lack of comprehensive interest in narcotics law enforcement. The government has abandoned eradication since 1988 and reached agreements with some insurgent groups which permit continued cultivation, refining, and trafficking to take place largely unimpeded. The government did carry out three highly publicized burnings of narcotics and refinery equipment in 1990 but enforcement actions directed against major traffickers were notably absent. Our relations with the government remain cool. We believe they continue to violate human rights. We continue to support DEA activities in Rangoon but unless and until the government indicates seriousness on narcotics law enforcement, we will not reconsider our position on the resumption of counternarcotics aid.

We have seen incremental improvement in the narcotics arena in Laos. We began to see some enforcement measures which previously had been unknown. And although the actions were relatively minor and the amounts seized small, it was a step forward from no action at all. Our crop substitution project in the country is making very good progress. In fact, the Lao have advanced their own funds to keep the project going. There have been some tensions between our two governments on the funding level for the project and on the degree of cooperation the Lao have extended to DEA but, by and large, we feel we are making progress. The President warned the Lao that his certification was made based on the belief that the government was endeavoring to strengthen its drug control efforts, continue progress on reducing cultivation and curtail corruption among individuals and institutions. Our relations with the Government of Laos on the issue of official involvement in narcotics trafficking are not problem free. We have repeatedly expressed our concern about the reported involvement of some elements of the Lao military and local government officials in narcotics trafficking to central authorities. We also noted that more law enforcement action would be a major element in our relationship.

The interim government of Thailand has said it will move quickly and forcefully against narcotics trafficking. At the outset, they have said all the right things. We are encouraged by their public statements and hope that they follow through on them. As the Committee knows, our highest priority in Thailand for several years has been the passage of asset forfeiture and conspiracy legislation. It is only with such a law that drug "kingpins" who organize and finance the trafficking but never touch drugs themselves can be brought to justice. The previous civilian government had been committed to the passage of this legislation and we were hopeful that it would be enacted into law in 1991. Preliminary indications from the interim government are that there is serious interest in getting this legislation passed.

The Committee may be interested in knowing full year narcotics and arrest statistics for Thailand for 1990. There were over 56,000 narcotics arrests, a 5% increase over the previous year. As in the past, most of these were for petty possession. There was 1,133 kgs of heroin seized which is a 59% increase over 1989 and 823 kgs of opium seized which is a 83% decrease from 1989.

According to our Embassy, preliminary indications are that the USG-financed poppy eradication campaign was more effective in 1990 which would leave less opium for trafficking and seizure. The increase in heroin seizures could confirm anecdotal evidence that traffickers are stepping-up the marketing of heroin to former opium addicts in Thailand. The Committee may also be interested to know that we have a small demand reduction program in Thailand that seeks to make a contribution to reducing local demand and bringing home to the Thai that the problem truly is theirs as much as it is ours.

In Pakistan, the new government seems to have settled down and has begun to devote more attention to the narcotics problem. The government ratified the 1988 UN Convention two weeks ago. In October of 1990, two major seizures occurred. Over 19 tons of acetic anhydride were seized in Karachi and, as of this date, are still in the hands of the government. There is some evidence that this essential precursor chemical was bound for heroin labs in northern Pakistan. Subsequent to the seizure, the government issued regulations to control the distribution of this chemical which had not previously been in place. Also, 1.7 tons of heroin were seized in Baluchistan and cases brought against the traffickers who are influential politicians in the province. In addition, after a long period of inaction, two labs were raided by governmental authorities. Lastly, a long-wanted heroin trafficker was extradited to the U.S. These are encouraging signs. We are far from satisfied, however, and believe that corruption and lack of political will to raid more labs still pose significant problems for continued progress. We continue with our INM-financed rural development and law enforcement assistance projects. The Committee's visit to Pakistan this summer will both provide you with first-hand information as well as permit you to convey your interest and concern to GOP officials directly.

In March, the President once again refused to certify Syria as cooperating with the United States on drug control matters. We noted that members of the Syrian military continue to control the Bekaa Valley of Lebanon where we believe they facilitate and profit from drug trafficking. Late in March, however, for the first time since 1987, the Syrians reported they had seized and

destroyed over 80 tons of narcotics including 14 kilos of opium in the Bekaa Valley. While pleased with this action, we do not know if it portends a trend or not. The Syrians must continue to demonstrate a serious, consistent pattern of enforcement plus a desire to cooperate with DEA before the issue of certification can be reconsidered.

Mexico is clearly a country in the front lines in the war on drugs. While halting cocaine transshipment through the country occupies much of its energies, the government continues and, in fact, has intensified its half-century old campaign to wipe out opium cultivation and heroin production. As the President noted in his certification statement, the country's record in 1990 is impressive. There has been an overall systemic improvement in narcotics control as well as an increase in seizures, arrests, and eradication. Under the leadership of President Salinas de Gortari, the country has declared its anti-narcotics effort a struggle to protect both national security and the well-being of Mexican citizens. Narcotics is also at the heart of the U.S.-Mexican relationship. To that end, the U.S. Government has committed substantial resources to improving the Mexican law enforcement capability with a wide range of assistance projects, including the provision of nine helicopters for interdiction. In the heroin area, nearly 400 kgs of opiates were seized and over 4500 hectares of opium poppy were eradicated. In 1990, Mexico made a significant dent in net production of opium in many years despite increased cultivation through intensified eradication. Corruption within the law enforcement establishment has impeded the government's control efforts but it appears that a good faith effort is being made to root it out.

STRATEGIC THRUST

It is clear that the United States counter-heroin efforts cannot hope to succeed unless we work with other nations. We have based our past efforts on building cooperation, and our current strategy seeks to improve on that base. As the strategy notes, we seek to motivate other governments to address their own drug problems and to employ their resources in reducing the supply of illegal drugs.

For the record, I would like to list the strategic objectives that we have agreed upon within the Executive Branch and certain activities that we intend to undertake to address the problem.

The United States seeks

o To promote heroin control programs in international and multilateral fora:

-- The U.S. will solicit diplomatic assistance from other nations to influence those producing countries to which we have limited access such as Afghanistan and Iran.

-- The U.S. will use international organizations and technical working groups of regional organizations, e.g., UN major donors, the Association of Southeast Asian Nations (ASEAN), to focus on the same producing countries.

-- The U.S. will use the "Dublin Group" of developed countries to publicize this issue and attempt to coordinate activities better.

-- The U.S. will continue to encourage countries to ratify the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, and to implement fully its provisions.

-- The U.S. will increase funding for selected appropriate heroin programs through multilateral institutions.

o To garner worldwide recognition of the drug issue in both its health and national security dimensions through bilateral initiatives:

-- The U.S. will continue to emphasize its importance through normal diplomatic channels.

-- In addition, the U.S. will seek to take advantage of other relationships, e.g., Thailand-Burma-Laos, to emphasize the importance with which the world views the narcotics problem.

-- The U.S. will take advantage of special opportunities provided by other countries, such as the People's Republic of China and the Soviet Union, to enhance the effectiveness of counternarcotics actions with adjacent producer countries such as Burma, Iran and Afghanistan. The U.S. will also encourage the PRC and the USSR to continue to speak out against the drug trade in international fora.

o To strengthen supply reduction programs:

-- The Drug Enforcement Administration and U.S. Customs Service will increase their efforts at home and abroad to interdict shipments and strengthen the ability of host country law enforcement agencies to intercept narcotics shipments.

-- The U.S. will sustain those bilateral law enforcement programs which have proven effective.

-- The U.S. will fund crop substitution programs in Laos and Pakistan for replacing poppy cultivation and seek to initiate similar programs in Afghanistan and Burma when political realities permit.

o To strengthen the ability of cooperating opium-producing and heroin-refining countries to disrupt narcotics trafficking organizations through prosecution, extradition, and punishment of traffickers:

-- The U.S. will improve training in law enforcement intelligence operations of cooperating countries.

-- The U.S. will consider expansion of the Joint Information Coordination Center concept to selected transit countries in Asia.

-- The U.S. will use more of its international training budget to aid cooperating countries.

-- The U.S. will continue to pursue legal initiatives to conclude effective bilateral agreements such as Tax Information Exchange Agreements, asset sharing and extradition agreements.

-- The U.S. will expand legal cooperation through bilateral Mutual Legal Assistance Agreements.

-- The U.S. will support host country efforts to identify and punish corrupt officials involved in narcotics trafficking.

o To disrupt drug money laundering activities:

-- The U.S. will undertake diplomatic initiatives, including expanded information and intelligence sharing, to address the need for currency recording and reporting requirements in potential drug money laundering countries.

-- The U.S. will work through the G-7 Financial Action Task Force and other mechanisms to combat drug money laundering.

o To interdict the transit routes for heroin and precursor chemicals:

-- The U.S. will augment Department of Defense intelligence, maritime and air assets to target transit routes in the South China Sea, the Indian Ocean and the Pacific.

-- The U.S. will expand training and drug enforcement materiel support programs for African transit states, especially Nigeria.

o To support demand reduction efforts:

-- The U.S. will encourage producer and transit countries to sign Memoranda of Understanding on Public Awareness which will enable us to work together to heighten public awareness of topics related to drug control efforts.

-- The U.S. will use public awareness initiatives abroad to raise the level of national concern about the extent and nature of drug production, trafficking and use in a manner that increases public and leadership concern and raises the level of national intolerance for drugs at all levels.

Our action plan lays out in somewhat more detail the specific steps we shall take and a general time frame for achieving the goals we have set. Much of what we plan to do is an extension of activities already underway. Many activities will be intensified; others will be initiated. The plan will serve as a yardstick against which we judge our progress in periodic assessments. We will evaluate which actions are working, which are not, and why; and then strengthen, eliminate, or modify our tactics based upon our experiences and the shifting routes employed by the traffickers.

Mr. Chairman, you will have noticed that our strategy and our plan differ from our Andean and Caribbean strategies in two basic ways -- direct participation by U.S. armed forces in detection, monitoring, and training; and the amount of resources needed. Given the wide geographic breadth of the heroin problem, the highly diversified nature of the polities involved, the relationship of the heroin threat to overall American drug abuse patterns, and the infinite trafficking means and routes available, employing the U.S. military's considerable assets, techniques, and skills is not as practicable as in the Western Hemisphere. As a result, our efforts are limited to motivating and supporting foreign governments to take the measures needed. While significantly increased resources are neither needed nor desirable, modest increases in present budgetary authority will facilitate flexibility and our ability to meet changing priorities and challenges. Most governments which are actively engaged in counter-narcotics efforts cannot absorb additional large sums of assistance without increased inefficiences and dangers of corruption. More U.S. resources could also be a disincentive to other governments' financial commitments.

CONCLUSION

In conclusion, Mr. Chairman, I believe the heroin strategy and the action plan which we have formulated provide us with the direction and focus we need to take more effective action against the heroin threat. It will not be easy and we have a long way to go, as the output of Burma alone is more than sufficient to meet world demand. And the rate of heroin abuse is getting worse in many areas of the world. Perverse though it may be, this latter point may signify the beginning of a

resolution to the problem. For only when other countries realize that their societies, health, safety and prosperity as much as ours are threatened by drugs will we be able to obtain their full attention and cooperation. We cannot do it for them. We are prepared to provide assistance and support as well as encourage other donor countries (the EC, Japan, Australia, Canada) to increase their contributions and coordination with us. But in the end, each government will need to awaken to the reality that narcotics traffickers are a threat to their national security, as dangerous as dissident ethnic insurgents, terrorists or communist subversion. The United States remains prepared to help.

STATEMENT BY HERBERT D. KLEBER, M.D.
House Select Committee on Narcotics Abuse and Control
May 9, 1991

I appreciate the opportunity to testify today on the subject of heroin. While our focus on the current epidemic use of cocaine remains a high priority, the history of drug use in our country over the past century gives a clear warning that we must be vigilant if we are to be successful in preventing a new drug epidemic. That is why we are giving serious attention to the potential for an increase in heroin use in the U.S. I note, however, that NIDA convened a meeting of drug epidemiologists from around the country just two weeks ago and concluded that, based on the best available data from all sources, heroin use trends are flat. Nonetheless, there are reasons for concern.

As my colleagues from the Department of State and the Drug Enforcement Administration will attest, while production world-wide decreased in 1990, opium and heroin are still being produced throughout the world in near-record quantities. Most is produced for foreign markets, but law enforcement agencies have detected an increase in the purity and the supply of heroin in some of our cities. This increase in the domestic supply of heroin is cause for concern, especially at the present time.

Every stimulant epidemic with which I am familiar has been followed by the increased use of sedatives. Stimulants such as

cocaine wear people out. They often leave users feeling nervous, paranoid, irritable, and restless. Stimulant addicts reach a point where they just can't take any more. As a result, they often turn to sedatives like heroin to calm their nerves and to achieve a more soothing high. Initially, cocaine and heroin may be used together -- commonly known as a "speedball" -- to enhance the effects of each. This is typically followed by use of a sedative to "mellow out" and eventually by the use of the sedative alone.

The greater purity of the heroin on the streets increases the likelihood it will be smoked or taken intranasally -- indeed there are anecdotal reports from New York City that intranasal use may be increasing. Some drug users who previously stayed away from heroin because of their fear of needles and infection may now be more willing to smoke or snort it.

Nevertheless, while I believe careful attention is warranted, alarm is not. Both historical patterns and the data I have seen suggest that while there may be some rise in heroin use in the next few years, the numbers will not be anywhere near the scale of the current crack epidemic. Two of our most important indicators, DAWN and DUF, have shown no recent increases. In fact, from the first quarter of 1989 to the second quarter of 1990, heroin emergency room mentions reported by DAWN have fallen twenty-five percent.

There are a number of factors working in our favor. Currently, the use of all illegal drugs appears to be down.

Epidemiologic surveys and other data indicate that, despite increased availability of some drugs, fewer people are trying or using drugs. It is a mistake to assume that use will always rise in the presence of increased availability. It is equally mistaken to deny the possibility that use can decrease while supply remains high.

I would attribute this decrease in large part to the fact that drug use is becoming "denormalized" -- it is no longer tolerated the way it was in the 1960's, 70's, and early 80's. Americans now understand that illegal drugs -- including heroin -- are dangerous, and that to use drugs is to risk losing your job, your health, your family, and your freedom.

Also in our favor is the fact that heroin is still widely regarded as a dirty, highly addictive, and anti-social drug. Recall that when the cocaine epidemic began, there was a common perception that the drug was clean, easy to use, and non-addictive. Part of the allure of crack cocaine is that it is convenient to use because it is smokable. There are no dirty needles nor is there a risk of AIDS. It is hard to imagine large numbers of influential men and women of Wall Street or Hollywood doing heroin at pool parties. While it is not impossible that heroin could become glamorized and more popular among some groups, its reputation and stigmatization over the last fifty years renders this unlikely.

Recent data I have seen suggests that most of the people using heroin today began their use in the 1960's or 1970's.

4

There are indications that the mixing of heroin and cocaine -- "speedballing" -- is not uncommon among a small number of cocaine addicts, but I am not aware of any information -- anecdotal or scientific -- that shows a rise in the number of non-habitual drug users who are initiating heroin use. Indeed, I have seen data indicating that the average age of heroin users has been relatively constant, which suggests that there has been no major influx of younger, first-time users.

While the picture I have painted of the possibility of a future heroin epidemic has been mixed -- some good news and some bad -- I do not advocate that we "wait and see" what will happen. The Federal Government is taking steps domestically and internationally to reduce the possibility that the Nation will face a significant upswing in heroin use.

To reduce demand, we are monitoring the domestic consumption situation diligently, and in this regard we are improving data we now possess. In addition to continuing the DAWN and DUF indicators, we are undertaking major improvements in the National Household Survey, such as increasing the frequency of the survey and oversampling previously under-counted groups like the homeless and the incarcerated. We will continue to employ the NIDA Community Epidemiology Working Group, which helps us to pinpoint regional trends in drug usage.

The potential threat of increased heroin use in the 1990's is a good example of why long-term, comprehensive prevention efforts are needed. Federal prevention efforts must not become

overly drug-specific. Of course, this does not mean that prevention efforts should not target certain at-risk populations. However, initiatives such as OSAP's high-risk youth program, the community partnership grants, and the drug-free public housing programs are aimed at those who may be more vulnerable to increased heroin use. Federal funding for prevention has already increased greatly; our request for 1992 is more than double the amount appropriated just three years ago.

Treating those who are already addicted to heroin and other illegal drugs is also a major priority in the President's Strategy. We know a great deal about the treatment of heroin addiction, and the treatment system remains more geared to heroin treatment than to any other kind of drug dependence. While Federal treatment funding has increased seventy-one percent over the past two years, Congress could be more helpful. You'll recall, Mr. Chairman, that for fiscal year 1991 the Administration requested an increase of $100 million for the ADAMHA block grant; Congress provided only one-fourth of this request for drug treatment and prevention grants to States.

We also are pursuing a stepped-up program of research that will develop and test promising new methods to treat heroin addiction. Within the next few years we should have available for wide use medications such as LAAM, depot naltrexone, and buprenorphine, which will greatly improve our present ability to treat successfully those who have become addicted to heroin. The possibility of increased heroin use makes clear the necessity for

continuing and expanding our medications development efforts.

Mr. Chairman, this concludes my prepared remarks. I yield now to my colleagues from the Department of State, the Drug Enforcement Administration, and the U.S. Customs Service.

STATEMENT OF

JOHN E. HENSLEY

ASSISTANT COMMISSIONER
OFFICE OF ENFORCEMENT

U.S. CUSTOMS SERVICE

BEFORE THE

SELECT COMMITTEE ON

NARCOTICS ABUSE AND CONTROL

ON

MAY 9, 1991

(57)

MR. CHAIRMAN, I AM HERE TODAY TO DISCUSS YOUR INTEREST IN THE HEROIN SITUATION AND HOW THE U.S. CUSTOMS SERVICE IS ADDRESSING THIS THREAT.

IN FY 90, U.S. CUSTOMS HEROIN SEIZURES NATIONWIDE AMOUNTED TO 1,497.1 POUNDS (527 SEIZURES) AS COMPARED TO 1,056.7 POUNDS (454 SEIZURES) IN FY 89. ADDITIONALLY, FY90 U.S. CUSTOMS OPIUM SEIZURES NATIONWIDE AMOUNTED TO 2,047.2 POUNDS (6,942 SEIZURES) COMPARED TO 901.3 POUNDS (3,384 SEIZURES) IN FY 89.

FOR THE PAST FIVE YEARS, CUSTOMS NATIONWIDE HEROIN AND OPIUM SEIZURES HAVE CONTINUED TO STEADILY RISE. THE INCREASE IN SEIZURES MAY BE DUE TO OUR IMPROVED LAW ENFORCEMENT EFFORTS. HOWEVER, WE ARE CONTINUOUSLY EVALUATING THIS TREND.

INTELLIGENCE REPORTS INDICATE THAT WORLDWIDE OPIUM PRODUCTION DROPPED APPROXIMATELY 10% IN 1990.

HOWEVER, THE INTERNATIONAL HEROIN TRADE CONTINUES AT HIGH LEVELS. ALTHOUGH TOTAL OPIUM PRODUCTION DROPPED, THE OPIUM SURVIVING IN BURMA ALONE WOULD BE SUFFICIENT TO SUPPLY MUCH OF THE WORLD'S HEROIN DEMAND. IN THE GOLDEN TRIANGLE AREA OF BURMA, LAOS, AND THAILAND, MOST OF THE DROP IN PRODUCTION RESULTED FROM POOR WEATHER CONDITIONS RATHER THAN FROM ACTIVE GOVERNMENT INTERVENTION.

U.S. CUSTOMS HEROIN SEIZURES FOR THE FIRST HALF OF FY 91 HAVE AMOUNTED TO 663 POUNDS (293 SEIZURES) WHICH INDICATES A SLIGHT DROP IN AMOUNT SEIZED AS COMPARED WITH THE FIRST HALF OF FY 90, BUT AN INCREASE IN THE NUMBER OF SEIZURES. BASED ON THIS INFORMATION, AND CONSIDERING THE 10% REDUCTION IN OPIUM PRODUCTION IN 1990, WE SHOULD NOT SEE ANY DRASTIC CHANGE IN HEROIN TRAFFICKING FOR THE REMAINDER OF FY 91.

AS FY 90 ENFORCEMENT RESULTS AND PRELIMINARY FY 91 DATA DEMONSTRATE, NEW YORK REMAINS THE PRIMARY DESTINATION POINT AND DISTRIBUTION CENTER FOR HEROIN SMUGGLED INTO THE U.S. AS SUCH, NEW YORK IS A CRITICAL LINK IN INTERNATIONAL HEROIN TRAFFICKING. IF THE SEIZURE TRENDS ESTABLISHED IN THE FIRST QUARTER OF FY 91 CONTINUE, THE NEW YORK REGION WILL SET NEW RECORDS FOR THE QUANTITY OF HEROIN SEIZED.

SOUTHEAST ASIAN HEROIN CONTINUES TO DOMINATE THE USER MARKET IN THE NEW YORK REGION, AND THE UNITED STATES, AND REPRESENTS THE FUNDAMENTAL HEROIN ENFORCEMENT THREAT TO THE U.S. CUSTOMS SERVICE. FROM A SUPPLY PERSPECTIVE, SOUTHEAST ASIAN HEROIN REMAINS THE PRIMARY THREAT. SOUTHEAST ASIAN HEROIN CONTINUES TO DOMINATE 70-80% OF THE MARKET IN THE NEW YORK REGION, AND HIGH PRODUCTION LEVELS IN SOUTHEAST ASIA GUARANTEE ASIAN TRAFFICKERS A READILY AVAILABLE SUPPLY OF HIGH QUALITY, LOW COST HEROIN. DISTURBINGLY,

NO CARGO SEIZURES OF SOUTHEAST ASIAN HEROIN HAVE BEEN MADE THIS FISCAL YEAR. INTELLIGENCE, HOWEVER, STRONGLY INDICATES THAT SOUTHEAST ASIAN HEROIN TRAFFICKERS CONTINUE TO BROKER MULTI-KILO SHIPMENTS OF HEROIN TO THE U.S. USING CARGO AS THE PRIMARY MEANS OF TRANSPORT. SOUTHEAST ASIAN HEROIN TRAFFICKING OPERATIONS CONTINUE TO BE DIFFICULT TO INTERDICT.

FROM A TACTICAL STANDPOINT, WEST AFRICAN HEROIN SMUGGLING OPERATIONS, AS IN THE PAST, REMAINS AN ACUTE ENFORCEMENT PROBLEM FOR U.S. CUSTOMS. INTELLIGENCE ESTIMATES INDICATE THAT NIGERIAN HEROIN TRAFFICKING ORGANIZATIONS ACCOUNT FOR 25 % OF ALL HEROIN BELIEVED TO BE SMUGGLED INTO THE UNITED STATES. FORTY-THREE POINT SIX PERCENT OF ALL HEROIN SEIZURES EFFECTED BY U.S. CUSTOMS WERE MADE FROM NIGERIAN NATIONALS ENTERING THE COUNTRY AT JFK INTERNATIONAL AIRPORT--- THE ONLY U.S. AIRPORT RECEIVING DIRECT FLIGHTS FROM NIGERIA. UPWARDS OF 20,000 NIGERIANS ENTER THE U.S.

ANNUALLY FOR THE PURPOSE OF BUSINESS OR TOURISM; AN ESTIMATED 40,000 TO 50,000 RESIDE PERMANENTLY IN THE U.S. WITH ABOUT HALF OF THIS NUMBER CLAIMING STUDENT STATUS AT VARIOUS COLLEGES AND UNIVERSITIES.

CURRENTLY, THE WEST AFRICAN SMUGGLER'S METHOD OF CHOICE IS THE INTERNAL BODY CAVITY CARRY: COURIERS SWALLOW NUMEROUS SMALL CONDOMS OR BALLOONS FILLED WITH NUMBER 4, INJECTABLE HEROIN. THE AVERAGE SEIZURE PER SUBJECT IS AROUND ONE AND A HALF POUNDS. THE RECORD FOR A "SWALLOWER", 3 POUNDS, IS HELD BY A NIGERIAN DETECTED AT JFK.

IN ADDITION, WEST AFRICAN COURIERS CONTINUE TO TRAVEL TO SOUTHEAST ASIA, PRIMARILY THAILAND, AS PART OF THEIR ON GOING EFFORTS TO OBTAIN HIGH QUALITY HEROIN FOR DISTRIBUTION IN THE UNITED STATES. INDEED, THE INTENSITY OF THE WEST AFRICANS EXPLOITATION OF QUALITY SOUTHEAST ASIAN HEROIN SUPPLIES IS

DEMONSTRATED BY THE FINANCIAL DECLARATIONS FOR NIGERIANS TRAVELLING TO THAILAND: BETWEEN JULY OF 1989 AND JULY OF 1990, WEST AFRICANS TRAVELLING TO BANGKOK DECLARED OVER $46 MILLION IN U.S. CURRENCY IN BOUND.

RECENTLY THREE MAJOR CHANGES APPEAR TO BE OCCURRING IN THE SMUGGLING OF HEROIN BY WEST AFRICAN NATIONALS. THESE ARE:

1. NIGERIAN NATIONALS SMUGGLING HEROIN FROM SOUTHEAST ASIA TO MEXICO AND CROSSING THE LAND BORDER BACK INTO THE UNITED STATES (U.S.).

2. NIGERIAN RESIDENT ALIENS RECRUITING AMERICAN BORN BLACK FEMALES TO SMUGGLE HEROIN FROM SOUTHEAST ASIA INTO THE U.S.

3. GHANIANS SMUGGLING HEROIN FROM ACCRA, GHANA, TO NEW YORK VIA EUROPE.

THERE ARE TWO KNOWN REASONS FOR THIS CHANGE, THE FIRST REASON IS THE INSTALLATION OF X-RAY MACHINES AT THE AIRPORT IN LAGOS, NIGERIA, AND THE INCREASED ENFORCEMENT EFFORT BY THE NIGERIAN GOVERNMENT. THE SECOND REASON IS THE REPUTATION OF U.S. CUSTOMS AND THE RATE OF SUCCESSFUL APPREHENSIONS AT U.S. AIRPORTS.

ALTHOUGH SOUTHEAST ASIAN HEROIN TRAFFICKING CLEARLY POSES THE GREATEST THREAT TO CUSTOMS ENFORCEMENT OPERATIONS, SOUTHWEST ASIAN HEROIN TRAFFICKING APPEARS TO BE INTENSIFYING AS DEMONSTRATED BY RECENT SEIZURES IN NEW YORK. DEVELOPMENTS IN SOUTHWEST ASIA ARE CLEARLY PROPELLING THIS INCREASE IN GOLDEN CRESCENT TRAFFICKING.

LEBANESE HEROIN PRODUCTION AND TRAFFICKING IS RAPIDLY EMERGING AS AN IMPORTANT THREAT TO U.S. INTERDICTION OPERATIONS. SEVERAL RECENT SEIZURES INDICATE THAT LEBANESE DOMINATED NETWORKS EXIST IN THE U.S. WHICH USE NEW YORK/NEW JERSEY AS AN ENTRY POINT FROM WHICH TO TRANSPORT THEIR HEROIN TO DISTRIBUTION RINGS IN THE NORTH CENTRAL AND NORTHEASTERN U.S.

GIVEN THE HUGE GLOBAL SUPPLY OF HEROIN AND THE LARGE CONSUMER MARKET, IT DOES NOT SEEM LIKELY THAT COMMERCIAL AIR ROUTES, WHILE OPERATIONALLY IMPORTANT FOR CUSTOMS, ARE CAPABLE OF EXCLUSIVELY SUPPLYING THE DOMESTIC USER MARKETS IN THE UNITED STATES.

THE PROBLEM FOR CUSTOMS, HOWEVER, IS THAT CONTAINERIZED HEROIN SMUGGLING OFFERS UNIQUE CHALLENGES, SOME OF WHICH DIFFER FROM CONTAINERIZED COCAINE SMUGGLING.

FOR INSTANCE, THE VOLUME OF CONTAINERS EMANATING FROM SOURCE AND TRANSIT AREAS IN NORTHEAST AND SOUTHEAST ASIA IS A STAGGERING 2.8 MILLION CONTAINER UNITS IN 1990. SECONDLY, HEROIN SMUGGLERS SEEM TO PREFER PLACING SMALLER AMOUNTS OF HEROIN IN MANY DIFFERENT CONTAINERS, THEREBY INCREASING THE CHANCES FOR SUCCESSFULLY EVADING DETECTION, RATHER THAN PLACING LARGE QUANTITIES OF THE DRUG IN A CONTAINER, AS MANY COCAINE SMUGGLERS PREFER. THIRD, TARGETING OF SUSPECT CARGO IS INCREASINGLY DIFFICULT GIVEN THE INCREASED USAGE OF TRANSSHIPMENT TECHNIQUES WHICH SERVE TO OBSCURE THE TRUE COUNTRY OF ORIGIN.

TOTAL CONTAINERIZED CARGO SHIPMENTS TO THE UNITED STATES ARE PROJECTED TO DECREASE IN 1991 BY 4 - 5%, BUT IT IS EXPECTED THAT THERE WILL BE AN INCREASE IN CONTAINERIZED CARGO FROM SOUTHEAST ASIA. THE OVERALL DECREASE IS ATTRIBUTABLE TO THE EFFECTS OF THE CURRENT RECESSION OF GLOBAL TRADE AND THE

PARTICULARLY STRONG EFFECT THIS RECESSION WILL HAVE ON SOME OF OUR PRIMARY TRADE PARTNERS INCLUDING JAPAN, TAIWAN, AND SOUTH KOREA. HOWEVER, THE EFFECTS OF THE RECESSION ARE EXPECTED TO BE SHORTER AND LESS INTENSE IN SOUTHEAST ASIA, WHERE THE REGIONAL INDUSTRIAL BASE WILL REBOUND QUICKLY FROM THE RECESSION, IN PART DUE TO THEIR RAPIDLY EXPANDING EXPORT SECTORS. COUNTRIES SUCH AS INDONESIA, THAILAND, MALAYSIA, AND SINGAPORE ARE EXPECTED TO GRADUALLY INCREASE THE AMOUNT OF THEIR CONTAINER EXPORTS TO THE U.S. BY MID TO LATE 1991. THESE COUNTRIES ARE EITHER SOURCE OR TRANSIT CENTERS FOR HEROIN.

ABSENT ACTIONABLE INTELLIGENCE GENERATED BY PERSONS ASSOCIATED WITH THE TRAFFICKING ORGANIZATIONS, U.S. CUSTOMS SERVICE INTERDICTION DEPENDS ON RISK ANALYSIS BASED ON PROFILES AND USE OF X-RAY EQUIPMENT. THE SUCCESSFUL USE OF THESE TECHNIQUES HAS LED TO ALLEGATIONS OF TARGETING OF

ETHNIC GROUPS AND BIASED LAW ENFORCEMENT. THIS IS DUE TO MISPERCEPTIONS ABOUT THE INTERDICTION PROCESS. THE METHODS AND TECHNIQUES DEVELOPED BY UNITED STATES CUSTOMS TO AID ENFORCEMENT OFFICERS IDENTIFY HIGH-RISK TRAVELLERS ARE FREE OF ETHNIC, RACIAL AND/OR NATIONAL BIAS. AFRICAN NATIONALS GENERALLY, AND NIGERIAN CITIZENS, PARTICULARLY, ARE NOT SINGLED OUT FOR ENFORCEMENT ACTIONS. HOWEVER, ARRIVING AND DEPARTING PASSENGERS HAVING ITINERARIES THAT INCLUDE TRAVEL TO, OR FROM KNOWN SOURCE OR TRANSIT COUNTRIES, SUCH AS NIGERIA, WHO SHARE CHARACTERISTICS FOUND TO BE ASSOCIATED WITH DRUG SMUGGLING ARE SUBJECT TO INTENSIVE SCRUTINY BY U.S. CUSTOMS OFFICERS.

THE U.S. CUSTOMS SERVICE WEST AFRICAN DRUG TRAFFICKING INITIATIVE HAS DIPLOMATIC, CONGRESSIONAL, PUBLIC RELATIONS, AND TRAINING/OPERATIONAL COMPONENTS. IT ALSO COMPLIMENTS THE ONDCP HEROIN STRATEGY, FOCUSING ON A COUNTRY IDENTIFIED IN THE

INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT (INCSR) AS A MAJOR HEROIN TRAFFICKING AND NARCOTICS TRANSSHIPMENT POINT. THIS INITIATIVE ALSO SUPPORTS THE U.S. AMBASSADOR TO NIGERIA'S PROGRAM TO FACILITATE THE GOVERNMENT OF NIGERIA'S DRUG LAW ENFORCEMENT EFFORTS. THIS WEST AFRICAN DRUG TRAFFICKING INITIATIVE IS UNDERGOING FINAL IN-HOUSE AGENCY REVIEW AND IS SUBJECT TO INTERAGENCY REVIEW.

WHILE SOUTHEAST ASIAN HEROIN PREVAILS AS THE PREPONDERATE THREAT TO OUR ENFORCEMENT EFFORTS, THE CUSTOMS SERVICE IS AWARE THAT MEXICAN HEROIN CONTINUES TO DOMINATE THE MARKETS IN THE SOUTHWESTERN AND WESTERN REGIONS OF THE UNITED STATES, WHERE MEXICAN HEROIN IS READILY AVAILABLE AND AFFORDABLE. THE ONLY MARKET FOR MEXICAN OPIUM AND HEROIN IS THE UNITED STATES. HEROIN ENTERS THE UNITED STATES THROUGH WELL-ESTABLISHED SMUGGLING LANES IN MEXICO. TRANSPORTATION ROUTES WITHIN COUNTRY ARE

NUMEROUS AND FAIRLY WELL MAINTAINED; VEHICULAR/LAND SMUGGLING IS STILL THE MOST FAVORED MODE FOR HEROIN TRAFFICKERS. THE QUANTITIES OF HEROIN SMUGGLED CONTINUE TO BE RELATIVELY SMALL, AVERAGING LESS THAN ONE TO THREE KILOGRAMS, WHICH MAKES DETECTION A DIFFICULT TASK.

IN OCTOBER 1990, WE ESTABLISHED THE HEROIN INTELLIGENCE UNIT (HIU) LOCATED IN NEW YORK. THE MISSION OF THE HIU IS DESIGNED TO PROVIDE BOTH TACTICAL AND STRATEGIC INTELLIGENCE ASSESSMENTS OF THE HEROIN THREAT AND THE SIGNIFICANT IMPACT THAT HEROIN AND ASSOCIATED TRAFFICKING ORGANIZATIONS HAVE ON CUSTOMS. THE HIU HAS COMPLETED EIGHT (8) DIFFERENT MAJOR STUDIES INCLUDING REGIONAL ASSESSMENTS OF THE HEROIN THREAT. IT IS CURRENTLY COMPLETING A FY 91 ASSESSMENT WHICH INCLUDES ELEMENTS OF A CARGO INTERDICTION STRATEGY. THE HIU IS CURRENTLY ENGAGED IN THREE (3) SEPARATE SPECIAL INTELLIGENCE PROGRAMS.

OUR HEADQUARTERS, INTELLIGENCE PERSONNEL ARE ACTIVE MEMBERS OF THE INTELLIGENCE COMMUNITY COORDINATION GROUPS IN THE WASHINGTON AREA. THESE INVOLVE A HEROIN TASK FORCE, HEROIN STEERING COMMITTEE, AND AN ANALYTIC PRODUCTION STEERING GROUP.

THE RECENT INITIATION OF THE CUSTOMS NATIONAL PASSPORT PROGRAM IN COOPERATION WITH THE DEPARTMENT OF STATE IS ANOTHER INTELLIGENCE PROJECT DESIGNED TO IDENTIFY POSSIBLE NARCOTICS AND MONEY LAUNDERING COURIERS, TO INCLUDE THOSE INVOLVED IN THE HEROIN TRADE.

IN ADDITION, THE COMBINED AGENCY BORDER INTELLIGENCE NETWORK (CABINET) IS A CUSTOMS INITIATED TASK FORCE. CABINET EVOLVED FROM THE PROGRAMS OF NATIONAL NARCOTICS BORDER INTERDICTION SYSTEM AND OFFICE NATIONAL DRUG CONTROL POLICY. CABINET

OPERATES THE WORLD'S LARGEST DATA SYSTEM FOR THE TRACKING OF HEROIN MOVEMENT BY WEST AFRICANS. INTERNATIONAL IN SCOPE, THE DATA BASE CONTAINS OVER 400,000 TRAVEL RECORDS AND IN EXCESS OF 12,000 VIOLATOR AND SUSPECT RECORDS GATHERED FROM SUCH SOURCES AS INTERPOL, U.K. CUSTOMS, THAI CUSTOMS, CANADIAN CUSTOMS, AND THE CUSTOMS COOPERATION COUNCIL, AS WELL AS U.S. AGENCIES AND THEIR OVERSEAS REPRESENTATIVES.

CUSTOMS ALSO HAS AN ENFORCEMENT INITIATIVE ATTEMPTING TO IDENTIFY ANY ORGANIZED WEST AFRICAN GROUPS INVOLVED IN THE TRAFFICKING OF HEROIN AND THE ILLEGAL MOVEMENT OF CURRENCY. AS PREVIOUSLY STATED, INTELLIGENCE INDICATES THAT WEST AFRICANS ACCOUNTED FOR $50 MILLION TO $70 MILLION REPORTED UPON ENTRY INTO THAILAND.

PERIODIC BLITZ OPERATIONS BY CUSTOMS AGENTS AND OFFICERS ARE CONDUCTED ON VARIOUS EXPORT SHIPMENTS

TO WEST AFRICAN COUNTRIES. JFK INTERNATIONAL AIRPORT ENFORCEMENT EFFORTS HAS CREATED THE WEST AFRICAN SMUGGLING PROJECT, A PROGRAM WHICH UTILIZES INTELLIGENCE SUPPORT FOCUSING ON WEST AFRICAN HEROIN AND CURRENCY SMUGGLING.

IN CLOSING, WE IN THE U.S. CUSTOMS SERVICE FEEL THAT HEROIN IS A NATIONAL THREAT AND WE ARE APPLYING INCREASING ASSETS, UTILIZING ALL CUSTOMS SERVICE RESOURCES AND DISCIPLINES TO COMBAT THIS PROBLEM.

MR. CHAIRMAN, THIS CONCLUDES MY PREPARED REMARKS. ON BEHALF OF COMMISSIONER HALLETT, I AM PLEASED TO BE HERE TODAY AND WOULD BE HAPPY TO RESPOND TO ANY QUESTIONS YOU OR THE OTHER MEMBERS MAY HAVE.

STATEMENT OF

RONALD J. CAFFREY

ACTING ASSISTANT ADMINISTRATOR FOR OPERATIONS
DRUG ENFORCEMENT ADMINISTRATION

BEFORE THE

SELECT COMMITTEE ON
NARCOTICS ABUSE AND CONTROL

ON

MAY 9, 1991

Mr. Chairman and Members of the Select Committee on Narcotics Abuse and Control: I am pleased to appear before you today to discuss the international heroin situation as well as the U.S Government's heroin strategy and the Drug Enforcement Administration's (DEA) response to the problem.

Today, I would like to address heroin enforcement issues and the challenges that they pose to U.S. and international drug enforcement agencies. Before addressing these issues, however, I would like to briefly talk about the heroin strategy, which is the subject of this hearing today.

DEA participated fully in the drafting and development of the interagency heroin strategy. We are currently working with the Department of State and other agencies to draw up an implementation plan. The strategy is an international heroin strategy and is intended to map out the U.S. Government's priorities over the coming years as we face the limited opportunities for progress in our efforts to reduce worldwide opium production and address the immediate and potential heroin trafficking threats.

Worldwide opium production has increased over the past 10 years; however, in 1990, we saw a 10 percent decline in opium production. While DEA is encouraged about this development, we believe that worldwide opium production remains unacceptably high. We also believe there is a relationship between increased opium production and increased heroin availability in the United States and elsewhere.

DEA is making no general conclusions about the heroin situation in the United States. We cannot state authoritatively that heroin abuse has increased or decreased, nor can we definitively characterize patterns of heroin abuse. We have concluded, however, that over the past ten years, the heroin situation around the world and within our nation warrants serious concern. While the heroin problem is certainly not on the scale of our crack cocaine problem, and while it is unlikely that a heroin epidemic on that scale would occur in the next decade, DEA considers heroin enforcement our top priority after cocaine.

As drug enforcement experts, we have seen a sustained increase in the availability of heroin in the United States during the past five or six years. The purity and potency of the U.S. heroin supply has also steadily increased. In the major metropolitan areas of the United States, heroin is more affordable than it was a decade ago. The size and frequency of heroin shipments have also increased significantly in recent years.

Purity

A DEA monitoring program was initiated in the early 1980s to provide a continuing measure and indication of street level purity of heroin across the country. DEA's Domestic Monitor Program is now operating in 19 major cities across the United States (12 cities in FY 90). In 1990, nationwide, the average purity of all heroin samples analyzed through the program was 18.2 percent, which is greater than the single digit purity levels reported during the late 1970s and early 1980s.

Southeast Asian heroin is the predominant type of heroin available in the New York area and the Northeast corridor of the United States. In New York City alone, 88 percent of the heroin samples analyzed were of Southeast Asian origin; of these, purity levels averaged 40.6 percent. Nationwide, Southeast Asian heroin comprised 56 percent of the samples analyzed under the Heroin Signature Program (HSP).

Mexico was the source of 23 percent of the nation's heroin supply and Southwest Asian heroin accounted for 21 percent of the heroin supply. In 1985, Southeast Asian heroin accounted for only about 14 percent of the samples analyzed under HSP. We have seen a significant increase in Southeast Asian heroin, due in part to increased opium production and to the aggressiveness of Asian traffickers.

Price

Another indicator of availability that is often used is price. DEA closely monitors heroin prices worldwide. While retail prices generally have gone down over a five to six year period, there are many factors which affect prices, including the type of heroin, availability, purity, and the ethnic origins of the buyer and seller.

In 1990, prices at the wholesale level for Southeast Asian heroin in the United States ranged from $70,000 to $240,000 per kilogram (2.2 pounds), compared to $125,000 to $180,000 per kilogram nationally in 1989. In New York last year, prices averaged slightly higher at $120,000 to $200,000 per kilogram. The increases in the price of a kilo of heroin en route from Thailand to the United States is dramatic. In Bangkok, a 75-90 percent pure kilo of heroin costs between $7,000 and $11,000 per kilo. Costs for

heroin differ from ethnic group to ethnic group, depending upon the nature of the relationship between buyer and seller. For example, the unit cost among ethnic Chinese buyers may be lower than when selling to outsiders, which may reflect an increased perceived risk involved.

The price for Mexican heroin averaged $65,000 to $180,000 per kilogram nationally last year. In 1989, Mexican black tar heroin could be purchased, on average, for $70,000 to $130,000 per kilogram. Southwest Asian heroin at the wholesale level cost $80,000 to $200,000 per kilogram in 1990 compared to $80,000 to $180,000 per kilogram in 1989. In New York City, prices for Southwest Asian heroin are stable, but lower than the national average price. Southwest Asian heroin can be acquired in bulk for as low as $60,000 per kilogram.

Size and Frequency of Shipments

Yet another indicator of availability used by law enforcement is the size and frequency of heroin shipments. Annual DEA domestic heroin removals quadrupled between 1981 and 1989 reaching a peak of 829 kilograms (1,823.8 pounds) in 1988. Recently, we have seen a slight decline. In 1990, DEA seizures totalled 633 kilograms (1,392.6 pounds). We attribute the decline to several factors: our focus on targeting major organizations instead of focusing simply on drug seizures; greater seizures in source countries resulting from joint operations; and a recent shift in method with fewer large shipments and more difficult-to-detect smaller shipments, such as body carriers.

While several kilograms of heroin constituted a respectable seizure in the early 1980s, 20, 30, or even 50 kilogram seizures are not uncommon today. In the past six years many seizures have been in excess of 50 kilograms (110 pounds) both in the United States and in source countries. In 1988, Thai Customs seized 1,046 kilograms (475 pounds) of heroin destined for a warehouse in Queens, New York. A DEA follow-up investigation revealed that previous shipments of a similar size had been distributed in the United States. In 1989, authorities in New York seized 386 kilograms (850 pounds) of heroin in a warehouse. In 1989, the U.S. Customs Service in Los Angeles seized 56 kilograms (123.2 pounds) of heroin in lychee fruits from Asia. Also, in September 1989, Hong Kong authorities seized a record 420 kilograms (924 pounds) of heroin destined for the United States.

Drug Trafficking Organizations

Asian Traffickers

DEA's top heroin trafficking priority is to dismantle Asian trafficking organizations who supply heroin from Southeast and Southwest Asia. At the retail level, Southeast Asian heroin is sold by many different ethnic groups, i.e., Blacks, Puerto Ricans, Dominicans, Nigerians, Italians and Lebanese. However, production in Southeast Asia, importation and even wholesale distribution is virtually dominated by Chinese or Sino/Thai drug trafficking organizations based out of Hong Kong, Thailand, or other Asian cities that have important links to U.S. based Asian traffickers. Currently there is significant involvement of mainland Chinese, particularly illegal aliens, and Taiwanese drug traffickers in the U.S. heroin trade.

Although the Chinese dominate the Southeast Asian heroin market, the Nigerians and other West African groups pose a serious threat. These groups first came to the attention of law enforcement authorities in the early 1980s. At that time, they were still relatively small-time couriers and dealers. Since then, they have grown both in their involvement and sophistication and are now major importers and traffickers throughout the world. Although they do not deal in large quantities compared to the Chinese, Nigerians and other West African groups employ the proverbial "army" of couriers who carry both Southeast and Southwest Asian heroin and enter the United States via every route and entry point imaginable.

Nigerian and West African couriers also operate in such far-flung places as Seoul, Bangkok, Singapore, Pakistan, India, Africa, Europe, Mexico, etc. In FY 90, 203 kilograms (446.6 pounds) or 32 percent of all heroin seized in the United States was seized from West Africans. A total of 167.4 kilograms (368.3 pounds) of heroin were seized at JFK Airport -- this was 82 percent of all heroin seized from Nigerian/West African violators in the United States. In 1990, 25 percent of arrests in Thailand were Nigerians who declared a staggering $70 million in currency at Bangkok International Airport in a 12 month period.

Numerous ethnic groups traffic in Southwest Asian produced heroin. Among them are Indians, Iranians, Israelis, Italians, Lebanese, Nigerians, Pakistanis, Sicilians, and Turks.

Pakistani traffickers have established distribution networks to import Southwest Asian heroin into New York City and other parts of the United States. They are also known to occasionally deal with Afghan traffickers and other ethnic groups from Southwest Asia such as Indians. Other Middle Eastern groups active in the import and distribution of Southwest Asian heroin in the United States include Afghans, Albanians, Iranians, Israelis, Lebanese, and Turks. Points of entry for Southwest Asian heroin include not only New York but Los Angeles and San Francisco. Significant quantities of the drug also enter the Canadian cities of Montreal, Toronto, and Vancouver for local consumption and movement on to the United States.

In response to the Asian heroin threat, DEA has instituted two specific enforcement programs and a long-term joint intelligence program designed to provide funding and coordination of special efforts against those groups, especially Asians and Nigerians, trafficking in Southeast and Southwest Asian heroin. These programs have resulted in significant seizures and arrests both here and in other countries. More importantly, we have successfully dismantled a number of important and active organizations by arresting their leaders, seizing substantial assets and extraditing "untouchable" kingpins. We have also increased our staffing in key countries such as Hong Kong and Nigeria.

These programs draw on resources from both DEA and other enforcement and intelligence agencies in the United States and foreign countries. Such diverse initiatives as a marine interdiction program in the Andaman Sea and financial investigations designed to detect the Chinese underground banking system, and the targeting of Nigerian drug traffickers in source countries around the world have been financed by DEA.

Since Chinese drug trafficking groups based mainly in Hong Kong and Thailand dominate the SEA heroin traffic, DEA's efforts are designed to focus on the worldwide network of Chinese traffickers. Our New York Field Division has been particularly successful in this area. In 1990, Chang Chi Fu aka Khun Sa, the world's most famous heroin trafficker, was indicted in the Eastern District of New York.

In our efforts to reduce the availability of Southwest Asian heroin, DEA has initiated enforcement programs aimed at networks comprised of Pakistanis, Indians, Syrians, Iranians, Lebanese and many American based traffickers.

Several more specifically focused enforcement activities are organized under this general program. One targets a major Venezuelan based Sicilian trafficking family that controls a heroin distribution network in the United States, Canada, Italy, England, and Switzerland. Yet another focuses on a large network of Lebanese traffickers importing large quantities of heroin into the United States. Our Washington Field office has made important strides in this facet of the heroin traffic.

Southeast Asian Source Countries

There are a number of challenges facing DEA as we work with Southeast Asian source countries to curb opium production and heroin trafficking. Heroin trafficking within and out of the Golden Triangle is a complex, lucrative undertaking.

As the world's largest opium producer, ***Burma*** produces approximately 88 percent of Southeast Asia's opium. Burmese narcotics interdiction efforts have remained minimal since the political upheaval in that country beginning in the summer of 1988. As a consequence, opiates move unhindered from growing areas to refineries and exit points along Burma's borders. Since the Burmese military withdrawal from the North, opiates have moved along major unsecured roadways by vehicle in such large volumes that only relatively small amounts were left for opium caravans -- the traditional method of moving narcotics to exit points along the border.

While relative calm has been restored to the urban centers, anti-narcotics activities have not resumed. It can therefore be expected that opium poppy cultivation and heroin manufacturing and trafficking will continue as a result of insurgent coercion and little or no government suppression. In recent political developments, the Government of Burma has made mutually beneficial accommodations with the WA State Army (WSA), the most powerful insurgent drug trafficking group in eastern Burma. This does not bode well for anti-drug efforts there.

Much Burmese heroin finds its way to international markets via established routes through Thailand. Thailand's excellent infrastructure expedites movement to the country's international air and sea ports. Intelligence indicates increasing use of routes to the Indo/Burmese and Bangladesh/Burmese borders. Informed sources believe that considerable amounts of refined heroin also exit through southeast Burmese ports along the Tenasserim coast for further transport to the Andaman Sea and to Western markets via

southern Thailand, Malaysia, Singapore, and Hong Hong. In the past two years, the Peoples Republic of China has become a transit route for Burmese heroin destined for Hong Kong and world markets. In 1990, authorities in the Yunnan Province seized over 1,400 kilograms (3,080 pounds) of Burmese heroin destined for Hong Kong.

Under current U.S. Government policy foreign aid to Burma, which includes assistance for narcotics enforcement, has been suspended. Burma did not take significant steps to reduce opium production or heroin trafficking in 1990.

Heroin refining activity at the Burma/Thailand border is expected to continue unabated although there are reports of serious fighting between the WA State Army and Khun Sa's Shan United Army (SUA). Observers are concerned that the WA could consolidate its power and dominate the drug trade.

Thailand continues to maintain a crop eradication and narcotics law enforcement program. Cooperation with U.S. counterparts remains generally satisfactory and joint refinery interdiction operations and criminal investigations have produced modest results.

Refinery sites range from simple jungle huts to more elaborate and permanent installations with storage and living quarters for guards and refinery personnel. Equipment varies from crude wash tubs, cooking vats, ovens, and manual opium presses, to more sophisticated funnels, glass vacuum flasks, and heroin cookers.

Essential chemicals for Thailand-based refineries come from suppliers in Bangkok or southern Thailand who import them illegally from sources in Malaysia, Japan and Western Europe. There is little control over illicit chemicals in Asia.

Law enforcement efforts during 1990 resulted in the arrest of several major traffickers. These arrests contributed significantly to the disruption of trafficking organizations in the Golden Triangle and Khun Sa's indictment in New York has had a chilling effect on his status with both the Thai and Burmese Governments. In 1990, Thai Government heroin seizures totalled 1,088 kilograms (2,393.6 pounds) - nearly doubling the 700 kilograms (1,540 pounds) that were seized in 1989.

The deteriorating situation in Burma has increased the burden on Thailand to respond to the threat on the Thai/Burma border. The escalating armed conflict between the SUA and WSA has had a destabilizing effect on the border areas. Thailand is essentially the only country offering meaningful cooperation in this area.

Major opium/heroin refineries continue to be located in Burma, but numerous smaller ones have been either seized or identified within northern Thailand in the past years.

The third corner of the Golden Triangle is the ***Lao*** People's Democratic Republic (LPDR), which is estimated to be the third largest producer of opium in the world, as well as the home of a significant number of heroin refineries. Laos is also a substantial producer of marijuana.

The Lao Government's progress in enforcement has been steady but very slow. DEA has recently opened an office in Udorn in northeastern Thailand to focus on the Lao situation and has initiated liaison contacts and information exchange with LPDR authorities. The Lao Government has recently issued a multiple-entry visa to the head of the Udorn Office to facilitate his travel to Laos on drug enforcement matters.

Southwest Asia

As in Southeast Asia, cooperative bilateral enforcement efforts are hampered by lack of access to major source and transit countries in Southwest Asia. The opium/heroin produced in Southwest Asia is consumed within Afghanistan, Iran, and Pakistan, but a large quantity is refined into heroin for illicit use worldwide.

Afghanistan has been inaccessible to DEA personnel since the 1979 Soviet invasion and reliable information is difficult to obtain. We do know, however, that Afghanistan continues to be a major producer of opium and hashish. There is no ban on opium poppy cultivation in Afghanistan and indications are that little can be done by Kabul regime officials, who lack control over the primary opium poppy growing areas. DEA believes that Afghanistan will continue to play an important role in opium production and heroin conversion.

Iran is also a denied area and most of DEA's information is based on open sources which indicate that government initiatives against illicit drug activities have been taken. In January 1989, stringent anti-drug legislation went into effect. Also, enforcement measures have been increased along Iran' s borders, where record seizures and arrests have allegedly been made.

Opium produced in ***Pakistan*** is either domestically consumed or is converted into heroin in local clandestine laboratories. Pakistan estimates its heroin addict population to be around 1.2 million.

Although the recent extradition of a major heroin trafficker to the United States is reason for cautious optimism, Pakistan government efforts in counternarcotics require a greater commitment. We estimate that there are approximately 100 operating heroin laboratories in the Northwest Frontier tribal areas, which are virtual safehavens for drug traffickers. Much of this heroin finds its way to the West. The Government of Pakistan is reluctant to strictly enforce laws in this area.

Mexican Heroin Production and Trafficking

While DEA has designated Southeast Asian heroin as our top priority, we are cognizant of the fact that Mexican heroin continues to dominate the markets in the Southwestern and Western regions of the United.States, where Mexican heroin is readily available and affordable.

Mexico is a major producer of opium and continues to be the primary single source of heroin entering the United States. The only market for Mexican opium and heroin is the United States.

There are two types of heroin produced in Mexico -- traditional Mexican brown heroin and black tar heroin, so-called because of its dark color and gummy consistency. Black tar heroin, a crudely processed, highly-pure form of heroin, is a variation of the traditional brown heroin. Because of its relatively low price and high purity levels, black tar is now the heroin of choice in most cities in the Western United States.

Heroin conversion laboratories are located throughout Mexico and are often, but not always, near cultivation sites. These heroin laboratories are usually temporary structures. The nature of illicit laboratories in Mexico makes their detection difficult; the laboratories are small, portable, and usually in remote areas.

Heroin enters the United States through well-established smuggling lanes in Mexico. Transportation routes within country are numerous and fairly well maintained; vehicular/land smuggling is still the most favored mode for heroin traffickers. The quantities of heroin smuggled continue to be relatively small, averaging less than 1-to-3 kilograms, which makes detection a difficult task.

Last April, the Mexican Federal Judicial Police (MFJP) seized 12 kilograms (26.4 pounds) of heroin and a conversion laboratory at Los Mochis in Sinaloa. The MFJP were also responsible for the May seizure of a sophisticated heroin conversion laboratory at Michoacan and the removal of nearly eight kilograms of heroin; the June seizure of three kilograms of heroin at Juarez, Chihuahua; and the arrest of a MFJP group leader and eight auxiliaries for taking a $50,000 bribe from a major trafficker. It should be noted that because of the immediate and serious cocaine transit problem through Mexico, the Government Mexico continues to focus its attention primarily on the cocaine problem.

One of the major problems of heroin enforcement has been the influence of Colombian cocaine traffickers in Mexico. The traditional Mexican heroin/marijuana trafficker, through the influence of the cocaine trade, has become a poly-drug trafficker and is now using the established smuggling routes for cocaine. Most drug violators who buy from Mexican sources are able to obtain heroin, cocaine, and marijuana.

During the same time, representatives of the Colombian cocaine cartels have also used these routes to facilitate the delivery of large-scale cocaine shipments into the United States. There is also intelligence to suggest that some of the traditional cocaine cartel members may have expanded their operations to include trafficking in heroin. This development, ultimately, is expected to lead to increased heroin trafficking into the United States by both Mexican and Colombian traffickers.

It is important to mention that Guatemala is also rapidly becoming a source of opium for Mexican heroin refineries.

Most of the opium production in Guatemala is centered in the southwestern states of Huehuetenango, Quiche, and San Morcos. The production of opium in Guatemala began in the early 1980s as a spillover from Mexico when cultivators of the opium poppy sought to evade the Mexican Government's intensive eradication program. This illicit industry was quickly taken over and expanded by Guatemalan traffickers who formed a convenient nexus with already established Mexican heroin distribution networks.

All of the opium produced in Guatemala is currently smuggled into Mexico, where it is converted into heroin by experienced chemists. The opium is transported into Mexico by overland routes, usually by trucks with secret compartments. Unlike other opium/heroin producing areas of the world, Mexico and Guatemala do not have a local heroin addiction problem. Without any internal consumption of opium/heroin, all heroin manufactured in these areas is for export to one market -- the United States.

Mr. Chairman, I have attempted to provide a sketch of the heroin situation from the DEA perspective. Before I close, I would like to offer for your consideration some of the unique challenges presented to law enforcement in attempting to address the heroin problem.

Heroin is a global problem directed at the developed countries and the third world. As such, it is truly a hydra-headed monster. The countless number of ethnic groups who have in recent years entered the very lucrative heroin trade pose linguistic, cultural and political problems which at times seem insurmountable. Unlike the cocaine problem which emanates from one area in the Western hemisphere and involves Spanish speaking traffickers, heroin traffickers come from almost every part of the world. Chinese, Thais, Nepalese, Pakistanis, Indians, Iranians, Afghans, Syrians, Turks, Lebanese, Israelis, Greeks, Italians, French, Nigerians, Ghanians, and U.S. ethnic groups make up the mosaic of the heroin trade. You can well imagine the difficulties facing DEA in our heroin enforcement efforts, and the many challenges that we face in identification, name recognition, national origin determination, family relationships, and communication.

Such tasks as wiretaps, undercover approaches, informant recruitment and handling, court testimony, translation of documents all become infinitely more complex and costly during heroin investigations. You can understand the problems we encounter in

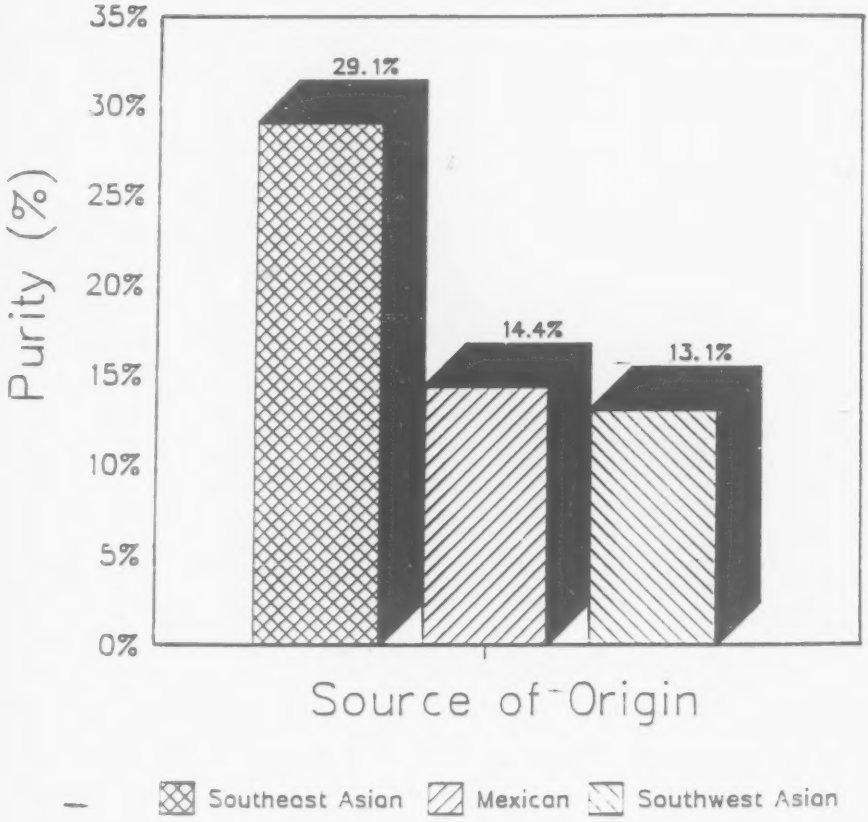
trying to recruit or hire individuals with these skills. In addition, the public concern over the crack and cocaine problem and the attendant violence has forced law enforcement to direct most of its resources towards addressing that problem.

One of our most frustrating obstacles is the difficulty involved in getting cooperation and assistance from the source countries where many of our targets operate. While our DEA representatives generally have good working relationships with host country officials, DEA personnel are often limited by the diverse legal systems, political situations, corruption, culture and in some cases lack of will on the part of host country officials. Despite these frustrations -- which, by the way DEA considers to be challenges -- we are committed to reducing the availability of heroin and dismantling major heroin trafficking networks. The day of the kingpin will soon be over.

Mr. Chairman, this concludes my statement. I appreciate this opportunity to discuss the worldwide heroin situation, as well as DEA's narcotic control efforts regarding heroin trafficking. I will be pleased to answer any questions that you may have.

AVERAGE PURITY OF HEROIN TYPES

Domestic Monitor Program (DMP)
Fiscal Year 1990

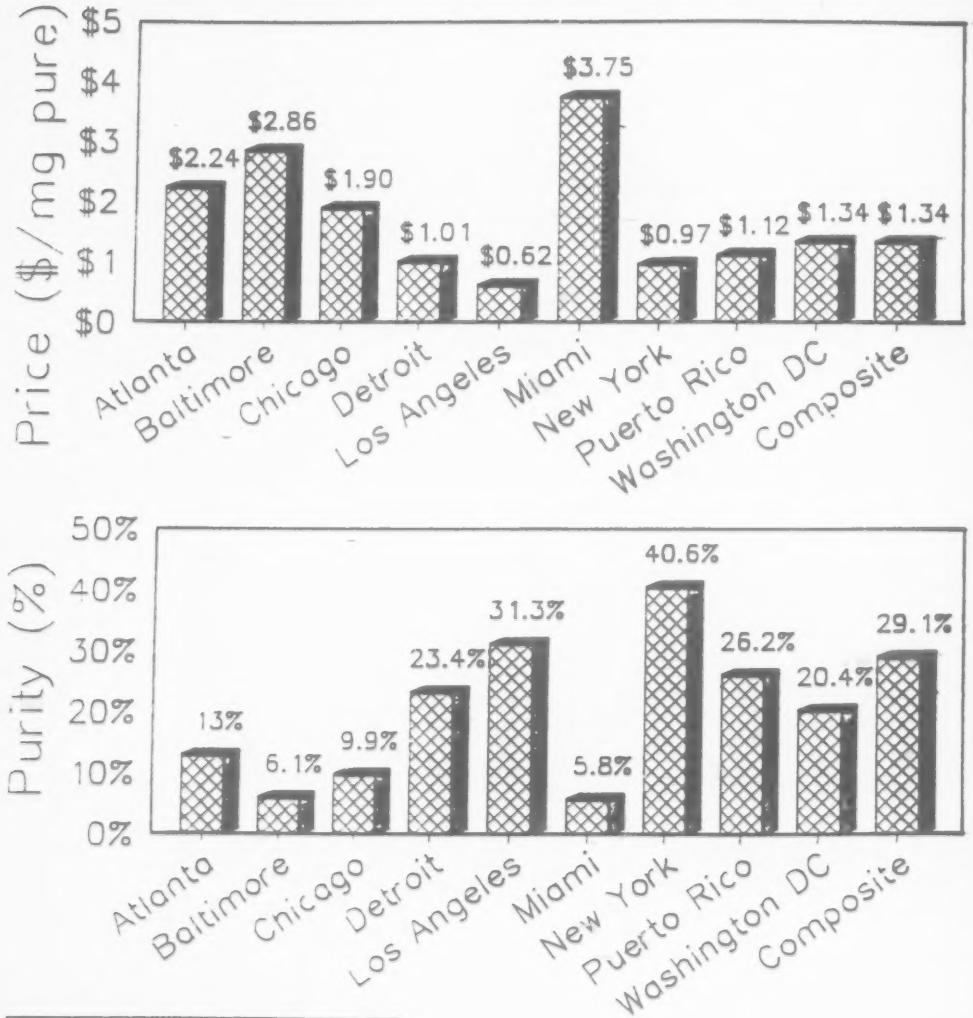


Based on the percentage of exhibits analyzed in which a Signature for geographic source area could be determined (based on 253 exhibits)

AVERAGE SEA HEROIN PRICE & PURITY

By City

Domestic Monitor Program (DMP) FY 1990

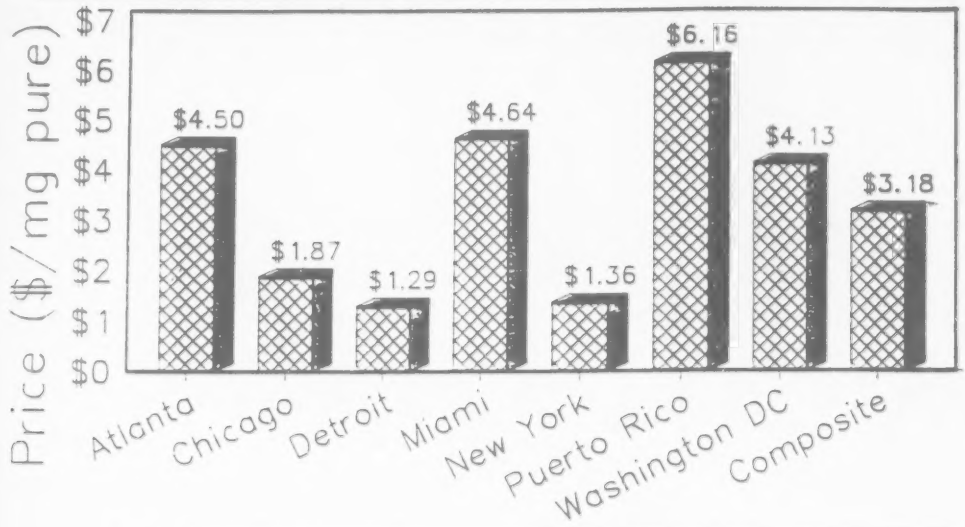


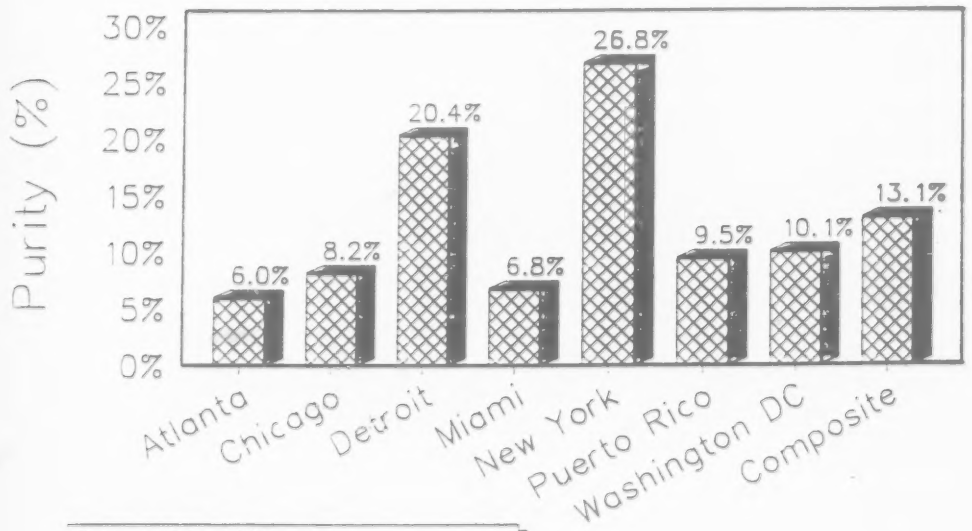
Based on 105 exhibits
Phoenix, San Francisco and Seattle had no SEA heroin

AVERAGE SWA HEROIN PRICE & PURITY

By City

Domestic Monitor Program (DMP) FY 1990



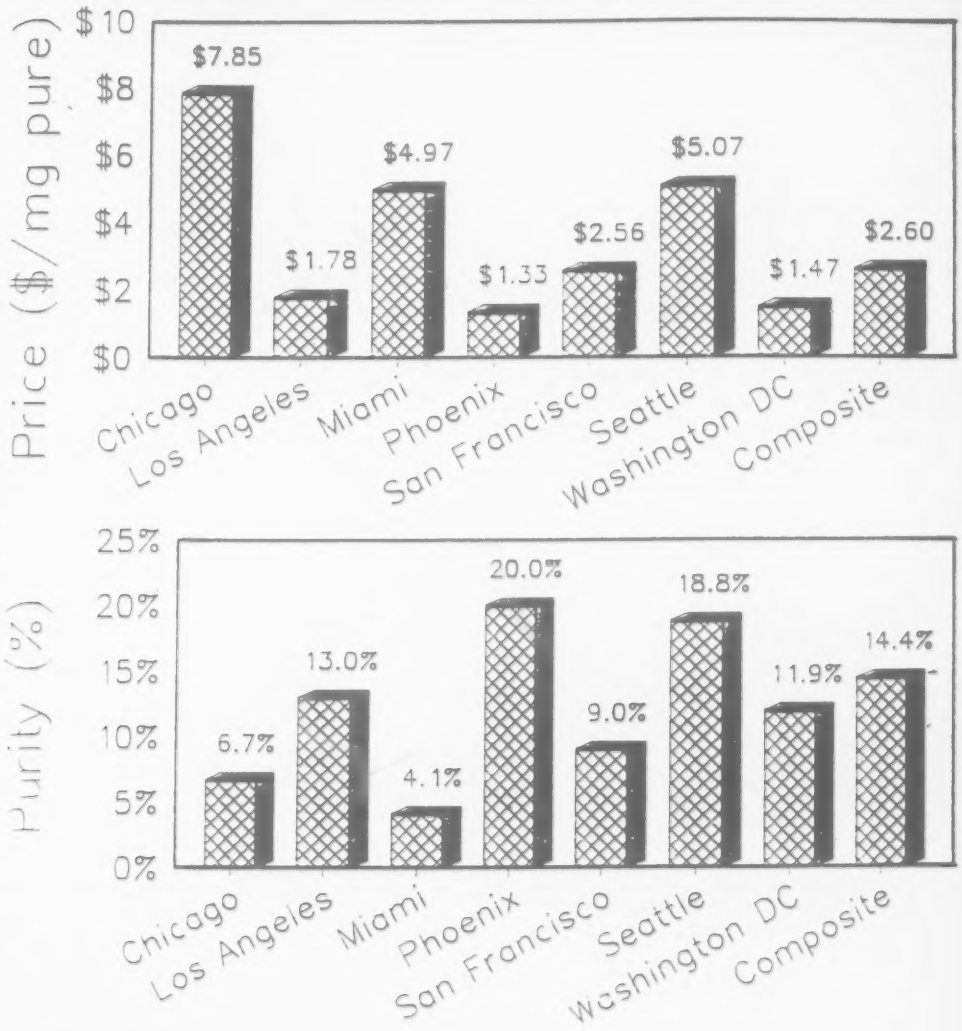


Based on 31 exhibits
Baltimore, Los Angeles, Phoenix, San Francisco and Seattle had no SWA heroin

AVERAGE MEX HEROIN PRICE & PURITY

By City

Domestic Monitor Program (DMP) FY 1990



Based on 117 exhibits
Atlanta, Baltimore, Detroit, New York and Puerto Rico had no MEX heroin